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Policy Replacers May Get What-For From Automation

Results Of IBM 650 Study
Revealed At Chicago
Show Insured Always Loses

By WILLIAM H. FALTYSEK

There is never a time when it is to the insured's advantage to replace a fully encumbered policy which has been in existence any given period of time with another fully loaned policy. It will always result in a loss to the insured, the loss being the least at the end of 10 years.

This positive assertion, backed up by the findings of an actuarial study and an IBM electronic computer, was made for the first time before a CLU meeting in Chicago last week and may well be the "breakthrough" on how to answer the "replacers." Carl H. Fischer, a Ph. D and professor of insurance and actuarial mathematics at the University of Michigan and a fellow of Society of Actuaries, made the study at the request of Chicago CLU chapter, which then held a two-day meeting on fixed dollar policy cash values.

His study also contained two other major findings, all three which he reduced to charts which were projected on a screen and explained to an audience of some 300 persons.

The percent of increase on a fully encumbered policy was shown in the 20-year cost if a whole life policy of \$100,000 on a man age 25 is replaced after 10 years, showing ages quin-

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TIAA President Wins Elizur Wright Award

William C. Greenough, president of Teachers Insurance & Annuity of New

York City, has won the 1960 Elizur Wright award of American Assn. of University Teachers of Insurance given for the "outstanding, original contribution to the literature of insurance."

The prize-winning contribution was "A New Approach to Retirement Income," the economic report containing the basis for College Retirement Equities Fund, the variable annuity prototype.

While "A New Approach" was published originally in 1951, its selection for the 1960 award was made possible by a rule that if there is nothing in the most recent year that the executive committee considers qualified, a selection may be made from a work of a previous year.



W. C. Greenough

MEETING TO BE MAY 17 AT BRYN MAWR, PA.

Life Terminology Group Will Deal With Basic Terms At First Parley

PHILADELPHIA—The committee on life insurance terminology of the American Assn. of University Teachers of Insurance Commission on Insurance Terminology will hold its first meeting May 17 at Huebner Hall, the new headquarters for CLU activities, which is under construction at Bryn Mawr, Pa.

The committee's chairman, Dr. S. S. Huebner, president emeritus of Amer-



S. S. Huebner

SEC Seeks Way To Let Pru Comply With U.S. And N. J. Regulation

WASHINGTON—Securities & Exchange Commission staff members are studying Prudential's 102-page application for permission to sell variable annuities, the main question being how to reconcile possible conflicting demands of New Jersey's variable annuity law and the federal investment company act of 1940.

It will be several weeks before a formal hearing notice can be filed, according to the SEC, and an additional month before a hearing can be held. All interested parties must have an opportunity to request appearances.

Prudential contends that since it is primarily engaged in the insurance business it is not subject to the investment company act. However, the application takes into account the possibility that the SEC won't agree with this position. Hence the company states that "in order to avoid litigation and the attendant delay in making these contracts available to the public, the applicant makes the alternative application" for exemptions from certain of the investment company act's provisions.

Prudential points out that some provisions of the investment company act conflict with New Jersey variable annuity laws or are foreign to the operation of a life company. For instance, the act requires that a person be able to promptly redeem his securities, whereas the New Jersey law establishes a minimum payout period of 36 months. This is to prevent use of the variable annuity for speculating.

The federal act also holds that directors of an investment company must be elected by its stockholders and that any changes in basic policy must have prior approval of the stockholders. Prudential points out that such an arrangement would violate New Jersey law which specifies that the company's directors must have control of all of Prudential's business.

ican College, believes the proper approach is to start with the most basic terms of the business, as has been done by the committee on health insurance terminology. The life committee's first discussions will cover the following areas, among others:

1. Is "life insurance" a good generic term? Dr. Huebner believes it to be an excellent term and anticipates the committee will agree on it.

2. Should "annuities" be bracketed within "life insurance" in a generic sense, or should annuities be considered separate from life insurance?

3. Are the terms traditionally used to describe the various types of life insurance, namely "ordinary," "group" and "industrial," good terms? It is anticipated that the terms "ordinary" and "industrial" will probably evoke considerable discussion.

4. What about terminology distinguishing between group and other forms of life insurance? Should non-group plans be referred to as "individual" or "personal" or what?

5. What is the proper terminology to describe the life insurance field man who contacts the public? In view of the wide variety of terms used, it is expected that a rather thorough study of

(CONTINUED ON PAGE 16)

Peoples Of D. C. Plans One-For-Seven Dividend

Peoples Life of Washington, D. C., is taking steps to increase capital to \$4,200,000 by a one-for-seven stock dividend. Present capital consists of 735,000 shares of \$5 par; this would go up to 840,000 shares.

The proposal will be voted on at the annual meeting March 16. Also on the agenda is a plan to increase the directorate from 10 to 12.

Ground-breaking ceremonies are scheduled for this summer on the 13-story addition to the Franklin Life home office at Springfield, Ill., and completion is expected in two years hence. To be situated on the east side of the present building, the addition will contain 213,000 square feet of net available office floor space, 70,000 more than in the existing office. The architecture and the Indiana limestone construction will harmonize with the present building, which will connect with the addition at all levels except the first floor. The present cafeteria will be transferred to the addition and will be enlarged and modernized, with food stations being substituted for the traditional cafeteria line. Much of the space will be leased out until the company needs it.

Fidelity Bankers Of Va. To Buy Control Of Northeastern

Combined Setup Will
Have \$880 Million In
Force; No Merger Plans

RICHMOND—The board of Fidelity Bankers Life has approved an offer for the purchase of Northeastern Life of Mt. Vernon, N. Y. The offer is contingent on at least 80% of Northeastern's 162,000 shares being offered, but owners of more than 80% of the stock are said to have indicated informally that they will accept Fidelity Bankers Life's offer.

The price has not been announced, and will not be known precisely until various expenses connected with the sale have been determined. Northeastern was 18 to 19 bid early this week. The largest stock interest, about 42%, is owned by Herbert Hutner, who resigned Jan. 1 as president, and Lester Osterman Jr. They were formerly partners in a New York stock exchange firm that was bought out by Blair & Co., in which Messrs. Hutner and Osterman still have an interest.

Combined Assets Of \$15 Million

Fidelity Bankers Life has \$353 million insurance in force, and the combined in-force of the two companies will exceed \$880 million. The combined assets will be more than \$15 million, with premium income in excess of \$17 million a year. However, it is not planned to merge the operations. Northeastern Life will continue to operate in New York and other states where Fidelity Bankers is not admitted.

In general, the plan is to avoid duplicate representation within a state. States where Northeastern operates but

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Life Insurance Finances Bequest Plan Aiding Israeli Institutions

On trip to Jerusalem, Philip J. Goldberg, left, general agent for Canada Life in New York City and president of Bequests for Israeli Scientific, Educational and Cultural Institutions Inc., presents more than a million dollars in life insurance policies to Theodore Kollek, special assistant to the prime minister of Israel. At right is Aryeh Manor, Israel's economic minister to the United States.



NEW YORK—Delivery in Jerusalem of policies for more than a million dollars to help assure the financial future of Protestant, Catholic and Jewish institutions in Israel through life insurance bequests dramatized the launching of Bequests for Israeli Scientific, Educational and Cultural Institutions Inc. of New York.

The policies were delivered to Theodore Kollek, special assistant to the prime minister, by Philip J. Goldberg, New York City general agent and company-wide leading producer of Canada Life, who is founder and president of Bequests for Israel. BFI was organized last December as a non-profit corporation under the laws of New York State. It plans to establish special endowments for scientific, educational and cultural institutions in Israel through bequests at death in behalf of these institutions without diminishing the estate that the donor leaves to his family.

Projected On National Scale

The program will be undertaken on a national scale. People engaged in the life insurance business throughout the country may participate in this charitable endowment program regardless of what company they represent. It has already received the endorsement of Israel officials and has been welcomed by leaders of beneficiary institutions.

BFI's goal is a billion dollars of life insurance in the next five years. In addition to more than a million dollars already delivered, Mr. Goldberg said

\$15 million has been applied for since the first of the year.

Life insurance taken out for the benefit of a charitable foundation such as BFI, Mr. Goldberg pointed out, enjoys a substantial tax advantage. The donor is entitled to deduct for income tax

(CONTINUED ON PAGE 12)

Offering Credit Card Travel Accident Cover

Avis Rent-a-Car System is making its credit card facilities available to insurance agents and brokers for the sale of traffic and travel accident insurance as a customer credit service.

Coverage is offered to individuals between the ages of 18 and 70 by Beneficial Standard Life of Los Angeles, which already is writing a similar policy for holders of Diners' Club cards. A choice of up to \$120,000 accidental death benefits and \$5,000 medical expense is provided with respect to every kind of travel conveyance. These include the driving of and riding in rental cars as well as other automobiles, trains, private yachts, and on scheduled and non-scheduled flights of commercial airlines.

Ralph Brausa, general agent of Massachusetts Mutual at Topeka, has been named 1960 leading individual producer of group insurance in the mid-central region. Mr. Brausa had \$2,044,200 in production credit.

Figures From Companies' 1960 Year-End Statements

	Total Assets	Increase in Assets	Surplus to Policy-holders	New Bus. Force Dec. 31, 1960	Ins. in Ins. in Force	Increase in Force	Prem. Income	Benefits Paid
	\$	\$	\$	\$	\$	\$	\$	\$
Bankers National	83,591,350	5,159,317	9,766,945	195,236,486	732,894,371	139,075,879	13,383,235	7,397,997
California-Western States	246,695,569	17,163,158	29,835,260	345,750,794	3,187,569,114	504,262,955	65,681,943	48,366,413
Central Standard	111,042,964	1,703,358	17,125,859	35,686,681	350,783,914	5,118,819	9,266,264	7,654,673
Connecticut Mutual	1,594,039,064	77,677,120	134,469,867	595,932,630	4,700,113,732	348,615,395	141,693,636	100,341,221
Continental Assurance	734,401,665	75,161,602	73,586,422	628,895,781	6,844,389,993	654,195,336	170,771,979	102,847,735
Cuna Mutual	34,127,262	4,301,568	3,101,953	113,089,827	5,765,193,091	771,853,511	44,146,977	38,995,442
Equitable Society	10,039,070,250	375,096,163	553,312,816	2,981,427,639	38,437,328,870	2,815,756,377	1,105,398,215	899,629,436
Farm Bureau Mutual, Ia.	51,699,527	6,835,093	4,596,434	75,111,806	461,327,690	30,898,538	9,524,741	1,302,632
Life Of Georgia	204,785,290	16,627,925	16,692,235	437,822,040	1,784,267,764	62,915,580	58,265,766	21,100,627
Life Of Virginia	27,163,566	27,613,307	36,883,725	601,393,560	2,744,458,658	344,626,761	67,391,327	36,287,436
Lincoln National	1,490,554,709	72,536,513	193,753,594	1,706,000,260	10,570,172,115	739,808,905	223,058,575	157,677,027
Mutual Life, Canada	673,764,046	42,989,093	30,432,631	360,544,291	3,179,505,457	255,503,206	70,793,238	53,420,953
Nationwide, Ohio	163,009,936	18,579,792	15,121,837	392,557,171	1,808,782,660	210,890,318	31,794,463	12,478,041
North Carolina Mutual	67,600,990	3,026,198	9,906,084	89,862,261 ²	277,186,658	12,746,625	14,379,954	6,744,958
Northern Life, Canada	50,535,160	3,472,073	6,011,685	54,259,798	332,291,812	27,183,996	6,010,056	2,928,726
Northwestern National	377,340,014	14,489,124	22,896,841	302,118,306	2,382,860,446	182,398,028	48,300,862	37,005,156
Peninsular Life	47,696,835	6,392,694	4,950,875	67,802,439 ³	276,704,747	9,198,064	10,269,009	3,774,383
Provident Mutual	871,004,320	15,329,179	54,118,588	283,225,947	2,624,752,792	158,717,636	66,725,232	58,437,985
Southland Life	250,667,884	14,738,988	9,000,000	219,960,899	1,426,219,404	100,061,974	34,938,111	19,584,524
Standard of Oregon *	84,349,385	5,195,464	6,762,320	148,523,335	774,717,354	112,953,051	14,032,255	8,239,501
State Mutual Life	733,618,615	32,511,888	44,286,482	578,718,162	3,125,055,786	167,557,394	84,998,210	67,259,760
United, Chicago	126,055,696	12,589,579	23,735,147	333,272,002	772,019,849	63,184,866	78,565,166	26,620,294
United Life & Accident	47,133,977	3,306,220	3,603,207	82,918,476	445,385,506	34,722,822	7,523,329	3,821,766
Volunteer State Life	77,916,083	3,063,769	9,247,078	42,032,281	659,196,099	18,033,704	11,887,145	7,503,018
West Coast Life	93,659,639	4,081,911	11,668,810	57,278,568	683,241,551	28,338,483	16,485,963	12,037,575

*New business and benefits paid figures for Standard of Oregon were incorrectly listed in the Feb. 18 issue. The correct figures appear above.

New business excludes revivals and increases except as follows: *\$75,096,251; **\$4,836,329; ***\$16,049,623.

Actuaries' Society Releases Program For Spring Meetings

Society of Actuaries will hold its regional spring meetings March 23-24 at Hotel Commodore, New York, and April 6-7 at Hotel Statler Hilton, Dallas. Society President Dennis N. Walters, Bankers Life of Iowa, will preside at the business session and discussion of papers. At the remaining sessions (except where otherwise indicated), the two vice-presidents will preside. They are Morton D. Miller, Equitable Society, and John H. Miller, Monarch Life.

Following the business meeting the first morning, the paper, "Further Notes on the Trend of Life Insurance Company Expenses," by Arthur Pedoe, research actuary, Toronto, will be presented. The balance of the day will be devoted to informal discussions in general session, as well as other specific subjects. The former include investments, overinsurance, medical care benefit for the aged, bank loan and minimum deposit business.

The latter include:

To Discuss Ordinary Premiums

A session on ordinary insurance premiums at New York, with Gladstone Marshall, Connecticut Mutual Life, chairman, to consider interest, mortality, expense and general points. At Dallas, Walter S. Dewar, Great Southern Life, chairman, with the agenda to include premiums, 1958 CSO mortality table and general topics.

A meeting on pensions, with Frederick P. Sloat, consulting actuary Terriberry Co., N.Y., as chairman, the discussion to cover actuarial assumptions, valuation of assets, current developments and public employee pension plans.

In Dallas, a session on employee benefit plans, with Thomas M. Mott, Republic National Life, chairman, discussing pension and retirement plans, long-term disability benefits, group major medical expense benefits, and insuring the senior citizen.

The program in both cities the second day will consist of a smaller company forum, with Graham C. Thompson, Security Mutual of Binghamton, chairman at New York and Orlo L. Karsten, Great American Reserve, performing a similar function at Dallas. Topics at New York include interim statements, reinsurance and retention, 1958 CSO tables, federal income tax; at Dallas, ordinary issues, pension trusts, practicality of companies making their own studies.

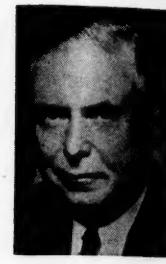
GROUP GAINS AGAIN

Met's Individual Sales Off; Premium Per \$1,000 Up 23%

NEW YORK—Metropolitan Life's 1960 sales of individual life insurance



Frederic W. Ecker



Cecil J. North

were \$5,695,767,386 as against \$6,936,684,610, but a 23% rise in the average premium per \$1,000 of business sold in 1960 brought new premiums very close to the 1959 total, Chairman Frederick W. Ecker said at the company's annual-statement press conference and luncheon.

Group Life Shows Gain

Group life showed a substantial gain, \$1,269,429,644, as compared with \$1,040,433,024, both figures being exclusive of about \$1 1/2 billion additional coverage arising from net increases under existing group contracts. The group increase did not offset the drop in individual policy business, total life insurance business for 1960 being \$6,965,197,030 as against \$7,977,117,634. However, total new premiums for all lines of insurance showed an 8% increase.

Discussing the 1960 decline in face amount of insurance sold, Mr. Ecker said:

Policies Modernized

"We attribute this decline largely to two factors. At the beginning of 1960, all our individual life insurance policies and plans were modernized and made more flexible to meet more complex and changing insurance needs. Services and procedures were improved, and we also introduced a new method of compensating our field force. Perhaps no other major company has, in such a short period of time, revised so completely its procedures and its personal life insurance contracts as did Metropolitan last year.

"In addition, we at Metropolitan for

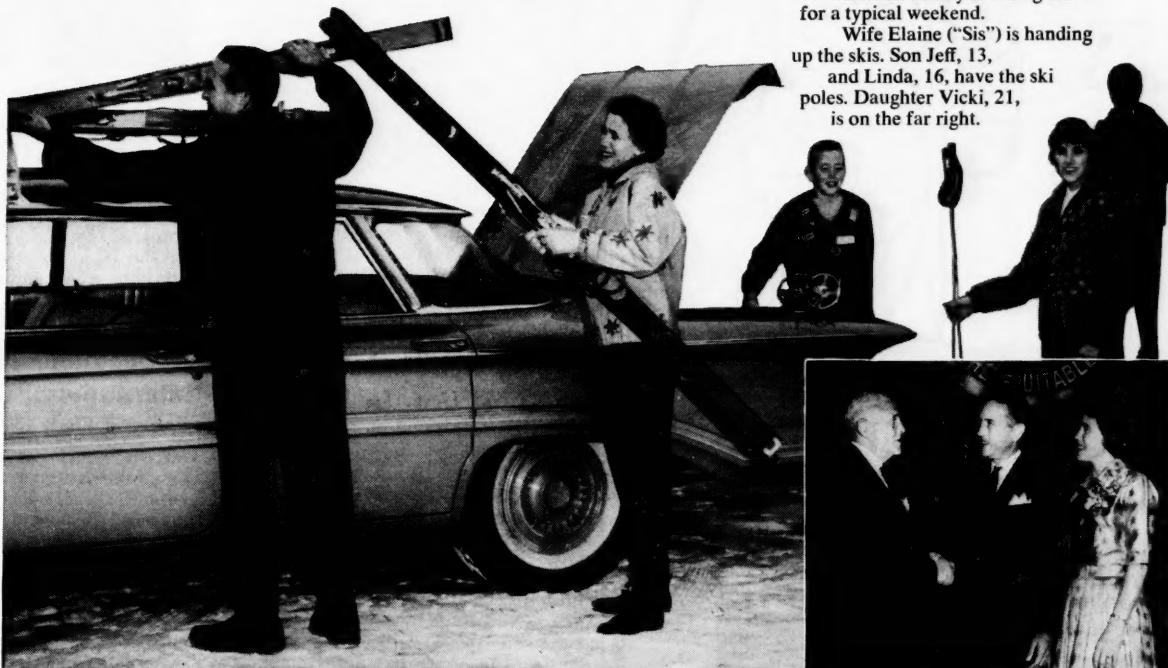
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B. W. Steinberg To Speak At NALU Forum

WASHINGTON—B. William Steinberg, general agent in New York for Massachusetts Mutual, will be a panelist at the agents forum during the midyear meeting of NALU April 16-20 at Ft. Lauderdale, Fla. He is immediate past president of the New York City CLU chapter, a director of the New York City Life Underwriters Assn. and a former editor of its Bulletin. He is a member of several NALU committees. He is the author of numerous articles and monographs and co-author of "Practical Property Planning—a Workbook of Estate Planning for the Life Underwriter."

George Mucey, manager for Baltimore Life at Washington, Pa., was announced earlier as a panelist. The other two panelists will be agents. Their names will be given out soon.

The Equitable Life of Bob Spooner in Appleton, Wisconsin



Robert Spooner of Milwaukee's Wandling Agency is a ski enthusiast.

Here the family is taking off for a typical weekend.

Wife Elaine ("Sis") is handing up the skis. Son Jeff, 13, and Linda, 16, have the ski poles. Daughter Vicki, 21, is on the far right.



Top Salesman: Bob received the National Honor Agent Award for 1960—and congratulations from Agency Manager Lee Wandling. Bob used to be a highly successful District Manager, but switched to direct selling in 1952, and has produced over a million dollars in business annually ever since.



Specializes in personal estate and business insurance planning, but sells large and small policies with equal enthusiasm. Here his enthusiasm is shared by officials of The Menasha Wooden Ware Corporation—Mowry Smith, Jr., Dick Johnson, and Tad Shephard. The company recently installed a comprehensive group policy with Equitable.



Community-minded: As member of a fund-raising committee, shown here, Bob helped to build this \$2,500,000 hospital in Appleton. Has also served on many other boards—of the Y.M.C.A., for example, the Salvation Army, and the First Methodist Church.

A man's prestige somehow goes hand in hand with the prestige of the company he represents. This is why Bob is proud to be a life underwriter for Equitable.

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THE EQUITABLE

Life Assurance Society of the United States
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**Proposed Bill Would
Put Teeth In Welfare
Fund Disclosure Act**

A bill which, among other things, would give the Secretary of Labor policing power under the three-year-old pension and welfare plan disclosure act has been introduced in the House by Rep. Powell of New York.

The Eisenhower administration, under which the original act was passed, previously urged strengthening the act.

The new proposal would provide for full statements in welfare and pension plan annual reports to the Department of Labor of assets, liabilities and receipts and disbursements instead of summary statements as now required; authorize the Secretary of Labor to render authoritative interpretations of the act (at present no fund administrator can receive official guidance); confer appropriate enforcement powers on the Secretary of Labor and authorize him to seek injunctions to compel compliance with the act, and provide new criminal provisions to make various infractions of the law by fund trustees subject to prosecution.



Burkett W. Huey, managing director of LIAMA, presents 1960 international quality award certificate to Mrs. Fumi Amai, agent of Dai-ichi Mutual Life of Tokyo. With them is Hakaru Itami, chief of the company's foreign affairs section. Mrs. Amai was the only woman agent of Dai-ichi Mutual to qualify for the IQA. Mr. Huey made the presentation when he was in Japan last September for the LIAMA school in agency management.

**Indianapolis Life Hits
\$500 Million In Force**

Indianapolis Life, writing only individual policies, has registered \$500 million of insurance in force. The milestone was reached after record production in 1960 and a 21.6% increase in January sales over a year ago.

The company attained the half-billion mark in its 56th year, two years and four months after it had achieved \$400 million. It had taken 25 years to attain its first \$100 million in force.

**Iowa Is 12th State To Top
NALU Building Fund Quota**

WASHINGTON—Iowa Life Underwriters Assn. has become the 12th state association to exceed its assigned quota in the campaign to raise money to pay for and equip the new NALU headquarters building debt-free. Newell C. Day, general agent Equitable of Iowa, Davenport, is state fund-raising chairman.

Other states that have oversubscribed their quotas are Vermont, Texas, Rhode Island, Oklahoma, Indiana, Illinois, Idaho, Hawaii, District of Columbia, Arizona and Alaska.

President William E. North of NALU has suggested these sources of additional contributions: The thousands of association members who didn't or couldn't contribute in the past, including persons "financially unable" but now able, those not members during previous drives, and members who held off until the NALU building became a reality; persons who contributed less than \$100 and now want to boost their donations so as to become "builders"; "charter builders" who want members of their families to be listed on the "builder" plaques, and individuals and/or organizations wanting to pay a great honor to a deceased friend or associate. There is still a limited amount of space on the "in memoriam" tablet in the NALU building.

Homesteaders Life reports new issued and paid business during February showed an increase of 69.3% over the same month a year ago. The gain for the first two months is now 91.1% more than that recorded in 1960.

**Applications For
International Quality
Award Due By May 1**

HARTFORD—Applications for the 1961 international quality award, sponsored for the second consecutive year by LIAMA, are due by May 1.

Last year 221 qualifiers from outside the United States and Canada were awarded IQA certificates. They represented 16 companies in 13 countries. LIAMA expects even more qualifiers this year because some companies have changed their record keeping systems to make it possible to determine who the qualifiers are. Under some systems used last year this was impossible.

Among the companies with many IQA winners last year were South African National Life in Cape Province with 70 and Sumitomo Mutual Life of Osaka, Japan, with 40. Other countries with IQA qualifiers were United Kingdom, West Indies, Hong Kong, Australia, Norway, France, Morocco, Venezuela, Guatemala, Colombia and Nicaragua.

Award certificates are sent by LIAMA to the home offices for distribution to qualifiers. Burkett W. Huey, now LIAMA managing director, presented some of the awards personally when he was in Japan last September on the staff of LIAMA's school of agency management conducted near Tokyo. Pictures and articles in publications issued by companies having IQA winners indicate keen interest in the LIAMA project.

Farmers New World Life reports it passed the \$400 million mark of total insurance in force on Jan. 31.

**New Handbook Published
For Arkansas**

A new Underwriters Handbook of Arkansas has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Arkansas handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

Blames High A&S Rates On MDs Who Use Policy Maximums As Fee Base

Physicians have contributed to high health insurance rates by basing their fees on the maximum amount the insurer will pay, Emil E. Brill, senior vice-president of General American Life, said.

"Insurance benefits should never be the basis for an increase in cost of medical and hospital care," he declared at a panel discussion on health care for the aged held by St. Louis County Medical Society.

Mr. Brill related the experience of an insurer which increased maximum benefits to workers under a group plan. As soon as the increased benefits went into effect, "many doctors, who seemingly were satisfied with the previous maximums, raised their fees to these employees to get the new maximums," he remarked.

He added that a recent survey showed that more than half of the doctors were asking their patients whether they had insurance. The physicians who made the insurance query most frequently were those who had the most patients in hospitals.

Mentions Other Abuses

Other causes mentioned by Mr. Brill included admitting surgical patients to hospitals earlier than necessary and providing accessory services that were not required. He recommended that doctors make greater use of less expensive forms of care than hospitals and that more reasonable fee schedules be established.

The medical profession's refusal to support legislation to help elderly indigent persons meet medical bills was criticized by Dr. Crofford O. Vermillion, associate director of Barnes Hospital. The legislation, he said, would ease expenses of all patients because they are burdened with some of the costs for charity cases. Only a few states have set up machinery to take advantage of the federal program

for public assistance payments to indigent persons over 65.

Dr. Vermillion also ascribed high hospital charges chiefly to inefficiency and duplication of services. Many hospitals which have limited opportunity to use some expensive medical equipment often purchase it simply because another hospital in the city has it.

Receive No Direct Benefit

Patients are also forced to pay for services for which they receive no direct benefit, such as operation of nursing schools or care for charity patients, he added.

James Baker, vice-president of St. Louis Blue Cross, said his organization has an admission rate about 10% above the national average. He said he didn't know the reason for this but suspected that it may be due to the type of medical care practiced in St. Louis with its two big medical schools.

Factors that influence insurance rates, he explained, are the cost to hospitals of patient care, the number of hospital admissions per 100 persons insured and their length of stay. He added that 70% of hospital costs are made up of items like salaries, fringe benefits, specialized personnel and medical equipment. These have increased 26% in the last five years and can be expected to rise as new treatments are developed.

Good Housekeeping Article Recommends Covering Wife

A full-page article on "Insuring the Wife and Children" appears in the "Better Way" section of the March issue of Good Housekeeping magazine.

The article stresses the value of insuring a wife, noting that estimates of the cost of replacing a wife's services for the care of children range as high as \$6,000 annually. Comparative costs on different plans for insuring this need are given. It is also pointed out that, where there are no children, there may be a need for covering a wife for tax purposes.

Conn. Mutual Orders IBM 7070 Data Unit

HARTFORD—Connecticut Mutual has ordered an International Business Machines 7070-1401 computer system, for installation next March. The 7070 is a completely transistorized machine using magnetic tape. The 1401, an auxiliary computer, will be used for card-to-tape and tape-to-card conversions and for highspeed printing.

Ultimately, the 7070 will handle routine daily operations affecting some 750,000 policies. Essential information on every policy will be put on a master tape, which will be run through and updated every day. While the present advanced punched card system now used by Connecticut Mutual will simplify the transition to tape, it will still take about two years after installation to complete the transition. When it is done, the information stored on some 15 million cards will be contained in tapes that would fit in a single shelf of a bookcase.

Southeastern Life has declared a 10% stock dividend payable April 1 to stockholders of record March 20.

O'Toole Associates Advance W. J. Ruth Jr.

O'Toole Associates, management consultants to insurance companies, Queens Village, N. Y., has appointed William J. Ruth Jr. as a principal of the firm. Mr. Ruth has spent 14 years in all phases of insurance administration, home office and field, and in all branches of the business, fire, casualty, life and A&S.

He entered the business as an actuarial trainee of Equitable Society. Subsequently he was with United States Life and Home Life in methods and systems capacities. He joined O'Toole Associates three years ago and has served a number of fire, casualty, life, and A&S insurers.

William Brannon Elected V-P Of Protective (Ala.)

William C. Brannon, secretary of Protective Life of Alabama, has been elected vice-president and secretary. He joined the company in 1933 and has been supervisor of policyholders service and assistant secretary.

one of the
best
and
busiest

Comparable year-to-date figures continue to show that Central Life's sales consistently run well ahead of the life insurance industry as a whole. There are several reasons why this is so—and Central Life agents agree that an important one is *true graduated premium* on all plans (except single premium). The quantity discount idea, first introduced in the United States by Central Life in 1955, is another example of the sales-minded leadership that's making "One of the Best" one of the busiest, too!

Central Life

ASSURANCE COMPANY, DES MOINES 6, IOWA
Progressive and competitive, yes . . . but not
at the expense of financial security

ASSETS	\$175 Million
SURPLUS	\$14½ Million
INSURANCE IN FORCE	\$620 Million



THE PRODUCER SHOULD BE
AWARDED A GREATER
PERCENTAGE OF COMMISSIONS
FOR LARGER PRODUCTION!

*W. Blair Bendell, Agency Builder,
All American Life & Casualty Company,
believes in this philosophy*

12 months' record of
W. B. Bendell
Minneapolis, Minnesota

- First Year Paid Premiums \$69,308.58
- 9 full time representatives
- Earnings in five figures

*Joined All American
April 15, 1957

All American offers you an
unbeatable opportunity to build
a business of your own.

Find out today why over 750
men have joined the dynamic
All American team that is setting
such talked about sales records.
Write E. E. Ballard, President.

ALL AMERICAN
Life & Casualty Company

505 PARK PLACE • ALL AMERICAN BLDG.
PARK RIDGE, ILLINOIS



Pan-American Installs IBM 7070-1401 Computer

A magnetic tape-oriented data processing system, the IBM 7070, has been installed in the home office of Pan-American Life. The system is modular in design and composed of 18 separate units.

As an example of how the new system will speed up Pan-American's over-all business operation, previously it took nine hours to maintain and up-date the company's master policy records, while under the new arrange-

ment the same job can be done in 90 minutes.

Pan-American's full system is composed of two computers, the IBM 7070 and the 1401. The 1401 is a self-contained data processing unit and a high-speed card-to-magnetic-tape converter. It is also a high-speed printing system, operating at 600 lines per minute.

Cost Over \$1 Million

The entire system, 7070 and 1401, was built for Pan-American at a cost of over \$1 million. A spokesman for

the company said it required 28 man years for Pan-American to prepare for the installation.

R. H. Belknap To Address N. Y. C. Life Supervisors

Raymond H. Belknap, president of United States Life, will be the speaker at the luncheon of New York City Life Supervisors Assn., March 14, at the Brass Rail restaurant. The subject of his talk will be "Interest Rates, Economic Trends and the Life Underwriter."

Schwemm Agency Has 200th \$1 Million Month

February sales of the Schwemm agency, Chicago, of Great-West Life have passed the \$1 million mark, bringing to 200 the number of consecutive months of a million or more of production. This is believed by the company to be a record for consistent production in the industry. The average for the 200 months is actually closer to \$2 million. Total production in 1960 was \$27,600,000.

Earl M. Schwemm, one of the early CLUs, will soon mark his 25th anniversary with Great-West. He took over the Chicago office in 1936. Business the first year was less than \$2 million. Within two years, however, he had raised his agency to top place. In 20 of the last 23 years, Chicago has been in first place.

Has Four Assistants

He is assisted by four key, long-service men who have each made important contributions to the agency's record of achievement. Known for its brokerage service and facilities, the Chicago branch's brokerage department is headed by Associate Manager R. C. Frasier. The full-time organization comes under Associate Manager Sol Sackheim. Both are CLUs. The group office is under the guidance of John A. Churchman, regional group manager, also a CLU. Branch administration and its clerical staff are the responsibility of K. W. Kennedy, cashier.

The branch has more than \$180 million of business in force, exclusive of its group operation and a substantial volume of health insurance. As the company has expanded its services, the Schwemm agency has seen its territory diminished. In spite of territorial changes, and with it, the transfer of policyholders, the agency has continued to grow.

Mr. Schwemm gives generously of his time and effort to broader service to the life insurance business. He has long been active and held top offices in the local state and national life agents' associations, as well as being a frequent and popular speaker and writer on life insurance selling.

Ho-Ho-Kus, N.J., District Wins Pru President Award

Prudential's Ho-Ho-Kus, N.J., district agency has been declared the leading district in all-round accomplishment for 1960 and has been awarded the president's trophy for established districts. The agency is managed by H. C. Oles.

The trophy for districts in new territories went to Gadsden, Ala., managed by Richard D. Smith. W. L. Joiner, Chattanooga, won the top agent trophy.

Ho-Ho-Kus gained an additional honor, as its A. S. Frossman staff won the trophy for established staffs. The T. E. Robison staff of Gadsden, won the trophy for pioneer staffs.

The Chicago south region won the regional trophy. Among regional home offices, Chicago led, for the fifth consecutive year, in all-round accomplishment.

RATE BOOK SPECIALISTS <small>DESIGN PREPARATION PRODUCTION PROOF READING SINCE 1920</small>	THE KLOPP CO. 10th & Douglas - Omaha, Nebr. - 342-4955
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Los Angeles, California



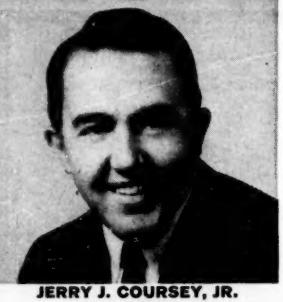
WARREN E. CLARK
New York, New York



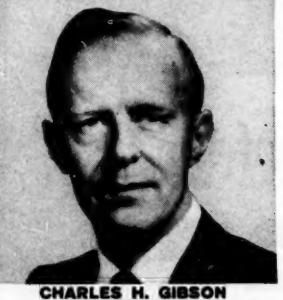
ALFRED J. BEAUCHAMP
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Wichita, Kansas



C. CARTER SCHNEIDER
Cleveland, Ohio



WILLIAM C. SCHUBERT, JR.
Akron, Ohio



WARREN C. SMITH
San Antonio, Texas

Helping Men to Grow!

A pioneer in many fields, Connecticut Mutual Life held its first school in sales management for supervisors 28 years ago. This was one of the first such schools in the industry and has been part of our management training program ever since.

The men pictured here have been appointed CML general agents in these cities since January 1960. Some of them became general agents for the first time, others were transferred to larger responsibilities. All eleven of them were CML supervisors, and attended our school in sales management. Many other company policies and activities—including a publication especially for supervisors—aim at helping men to grow to increased management responsibilities.

In 1960 every general agency appointment but one was a promotion from within our own sales organization.

Connecticut Mutual Life

INSURANCE COMPANY • HARTFORD

Dividends Paid to Policyholders Every Year for 115 Years

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March 11, 1961

Conversion To Punched Card System Explained In LOMA Case Study

How a life company planned for and converted to punched card premium billing and accounting is described in a planning report issued by Life Office Management Assn. and prepared by Harry L. Archey Jr., secretary of Fidelity Mutual Life.

The study is an updated version of one originally published by LOMA five years ago, soon after Fidelity Mutual completed a change from an Addressograph premium billing and manual premium accounting system to one utilizing punched cards for the entire operation.

Major Changes In System

In the five years since the conversion was completed, several major changes have been made in the system. All premium payments are now made directly to the home office, notices for monthly premiums are mailed only once a year, and the company is using a preauthorized check plan for some monthly premium payments.

In addition to outlining Fidelity Mutual's premium billing and accounting system, the report covers the planning for the system, the manner in which the conversion was handled, and lists the advantages gained from the new system.

Copies of the report—"Planning for and Converting to a Punched Card System"—have been distributed to LOMA member companies. Additional copies of the 32-page report are available at the association's office at a cost of \$1.50 to members and \$3 to nonmembers, plus postage and handling.

Lutheran Brotherhood Honors Sales Leaders At Biloxi Conference

The leaders' sales conference of Lutheran Brotherhood at Biloxi, Miss., was attended by nearly 220 general agents and district agents. President Carl F. Granrud and other fraternal officials spoke.

Eleven million-dollar producers and 20 agents whose sales exceeded \$750,000 in 1960 were honored at the banquet. The Thompson agency of Beatrice, Neb., was recognized as the leading agency, and the Nelson agency of Buffalo was acclaimed the outstanding general agency.

Service awards were presented to 18 agents, and 10 charter members of the President's Club were honored.

Mayor Wagner To Open N.Y. CLU Estate Planners Meet

Mayor Robert F. Wagner Jr. of New York City will deliver the opening remarks and present the greeting of the city to the annual estate planners meeting of the New York CLU chapter at Town Hall, April 26. The mayor is expected to proclaim the date estate planners' day in New York City.

At the congress, a practical approach to estate planning will be discussed by a panel representing accounting, banking, law and insurance interests. Members of the panel will be announced later.

Commissioner Howell of New Jersey, following a public hearing, approved promulgation of new regulations allowing insurers to amortize the cost of electronic data processing equipment over a 10 year period, provided the cost exceeds \$100,000.

Myer Agency At N.Y.C. Is Mutual Of New York 1960 Production Leader

Mutual of New York's Myer agency at New York led the agency force for the 10th straight year in sales of individual ordinary insurance with 1960 production of \$25,286,231.

Mutual's top individual producer—Jacob W. Shoul, Boston—also was a repeat winner, leading for the past 15 years consecutively, and being in first place 25 times.

Kenley R. Hoover, Pittsburgh, in his first full calendar year in the insurance business, led in paid applications with 251. Mutual's San Diego agency, managed by K. R. Hodgkinson, ranked second in agency achievement, and Sacramento, managed by Lloyd R. Yeates, was third.

Runners-up among individual producers were Irving Backman, son-in-law of Mr. Shoul and a member of the Boston agency, who took second place for the third year in a row, and J. Edwin True, Boise, who was third.

Runners-up in paid applications were Donald E. Charnley, Grand Rapids, and Eddy Wyschenk, San Francisco.



70th Anniversary

LIFE WITH PROVIDENT

PROVIDENT PROGRESS

LIFE INSURANCE IN FORCE

1940	\$147,731,804.00
1950	\$765,024,566.00
1960	\$2,864,221,539.00

ACCIDENT AND SICKNESS PREMIUMS

1940	\$7,489,012.63
1950	\$28,240,044.31
1960	\$81,851,276.43

Another year of outstanding production gains—thanks to an outstanding group of career Provident producers and brokers.

PROVIDENT
LIFE AND ACCIDENT
Insurance Company
LIFE • ACCIDENT • SICKNESS
HOSPITAL • SURGICAL • MEDICAL
CHATTANOOGA

Companies' 1960 Statements Are Given

AMERICAN BANKERS LIFE, FLA.

American Bankers Life's assets amounted to \$10,586,149 at the end of 1960, an increase of 20%. Insurance in force exceeded \$420 million, a gain of \$100 million. Net return on invested assets rose from 3.45% to 3.86%, with the yield on new purchases approximating 5 1/2%. Capital and surplus amounted to more than \$1.8 million, a gain of 12%. Premiums collected

gained 9% and amounted to more than \$11.3 million. Benefits totaled more than \$2.1 million.

BANKERS NATIONAL LIFE

Bankers National Life's assets at year-end 1960 were \$83,591,351, an increase of 6.6%. Surplus funds, excluding paid-up capital but including contingency reserve, totaled \$6,837,875, up 14%. Net gain from operations in

1960, after dividends to policyholders, amounted to \$1,402,318, a rise of 73.3%.

Insurance in force increased 23.4% to \$732,894,371. Total sales, including group, were \$185,236,486, a gain of 58%. Ordinary sales increased 10.8% to \$59,716,711.

COLUMBIAN MUTUAL LIFE

Columbian Mutual of Binghamton, N.Y., had \$12,149,874 in assets at the year-end, up 10%. Life insurance in force reached \$104,855,514. Sales rose 21%. Surplus is \$971,027, up 17%. Total income was \$5,686,315. Net invest-

ments made during 1960 were \$1,241,590, of which just over a million dollars was invested in commercial and residential mortgage loans in New York state. Mortgages now constitute 28% of assets, while 63% is in bonds.

CONFEDERATION OF CANADA

Confederation Life of Canada had 1960 sales of \$405,244,000, up 18.6%. This contrasts with the Canadian life industry as a whole, for which sales fell just short of the record, set in 1959. Of Confederation's total, individual policies accounted for \$238.9 million as against \$222.3 million, while group sales were \$166.2 million as against \$119.4 million. These sales brought individual life insurance in force to \$1,637,000,000 and group to \$1,055,000,000.

Assets reached \$470.7 million as against \$436.9 million. Interest on assets, after deducting investment expense, went from 4.71% to 4.87%. Total income was \$91.7 million as against \$82.2 million. Surplus rose to \$34.2 million from \$32.4 million.

In the third year of its five-year mutualization plan, the company bought an additional 18,854 shares and now owns 56,600 of the 100,000 shares authorized and issued. Since surplus will be maintained at not less than 6% of assets, the company believes it will be in a position to make its fourth purchase next December.

Insurance in force totals \$2,692,442,000, up \$293,546,000. In addition there are in force individual and group annuity contracts equivalent to an additional \$429,470,000 of life insurance. Benefit payments totaled \$47,442,000, up \$6,419,000.

EXCELSIOR LIFE

Excelsior Life, the Canadian affiliate of Aetna Life, at the close of 1960 had assets of \$116,770,980, an increase of \$7,000,501. Income for the year totaled \$20,039,370, of which \$13,772,220 was premium income. Surplus reached \$7,773,201, including investment and contingency reserve of \$2.5 million. The average rate of net interest increased to 5.32%, as compared with 5.19% in 1959. Benefits totaled \$8,360,479. Some \$4,860,000 was added to policy reserves.

Insurance in force at year end was \$654,007,780. New ordinary and group coverage issued or revived during the year was \$112,583,923, a gain of 15%.

INTERSTATE LIFE & ACCIDENT

Interstate Life & Accident assets at the end of 1960 totaled \$63,685,157, a gain for the year of 9.8%. A record \$1,211,102 was added to surplus, bringing the total to \$5,941,599, and the total capital, surplus and non-mandatory reserve to \$10,441,599, which includes contingency reserve of \$1.5 million and capital of \$3 million. Total income for the year, including investment income of \$2,967,361, less reinsurance premiums of \$81,789, increased to \$26,507,828. Benefit payments amounted to \$8,093,319, up more than \$500,000. Taxes amounted to \$1,180,210.

Life insurance in force at the close of 1960 was \$554,819,669, 74% of which is permanent coverage. Health insurance premiums amounted to \$8,745,606. Life policy reserves increased \$3,479,015 to a total of \$47,461,738.

LUTHERAN MUTUAL LIFE

Lutheran Mutual Life had sales of \$98,654,778 in 1960 for the biggest year ever, a 24% increase over 1959, the best previous sales year. Total insurance in force at the end of 1960 was \$620,639,017. Net gain for the year was about 73% of business written. Premium income was \$13,408,492, an

(CONTINUED ON PAGE 14)

The Northwestern Mutual point of view in advertising:

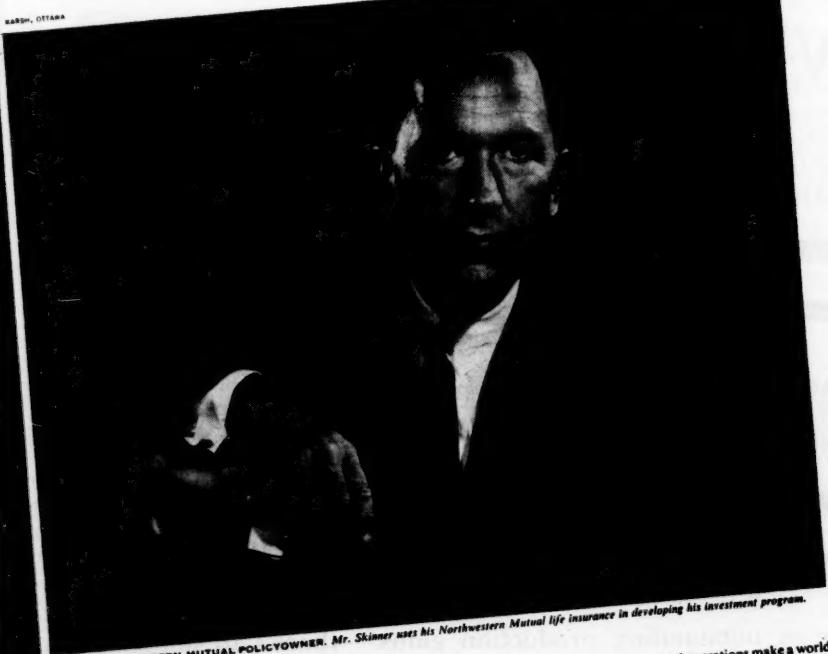
pose a problem—suggest a solution

Millions of today's investors are among the millions of TIME and NEWSWEEK readers.

Mr. D. E. Skinner, President and Chief Executive Officer, Alaska Steamship Company, speaks to this audience (in the Northwestern Mutual message shown below) about a vital aspect of a person's investment program.

Mr. Skinner is one of many prominent personalities who willingly share their views about life insurance in a continuing campaign designed to pre-condition prospects for Northwestern Mutual agents.

How much of your investment program is a sure thing?"



A NORTHWESTERN MUTUAL POLICYHOLDER. Mr. Skinner uses his Northwestern Mutual life insurance in developing his investment program.

Pertinent thoughts for those who invest money
by D. E. SKINNER
President and Chief Executive Officer,
Alaska Steamship Co., Seattle

I HAVE BEEN SURPRISED to find that some people who have investment programs do not consider the purchase of additional life insurance as a definite part of their programs.

"They should. For, besides its prime purpose of protection, permanent life

insurance brings important benefits to any portfolio. You know what your return will be...it's guaranteed. There's no anxious waiting for a rise in market. And, of course, increasing cash values constitute excellent loan collateral.

"Once you've accepted the importance of life insurance in your investment program, it will pay you to choose wisely the company and its agent who will serve you. In the transportation business I've learned that efficiency, modern methods,

and economical operations make a world of difference.

"The same holds true with a life insurance company. Low net cost comes from management economies, careful selection of applicants, and better than average investment earnings.

"Because these factors differ from company to company, I suggest you look into them carefully. For these differences can mean an increase in the 'sureness' of your investment program!"

There is a difference!

In 1961,
Northwestern
Mutual policyholders
will receive
\$96,000,000
in dividends!

THIS is the ninth consecutive year that Northwestern Mutual has increased its dividend scale...a record no other major life insurance company has ever matched!

Current dividend scale is 49.7% over the 1950 figure. In fact, the \$96 million to be paid this year is 6.7% more than the \$90 million paid in 1960...and 16.4% more than the \$82.5 million paid in 1959.

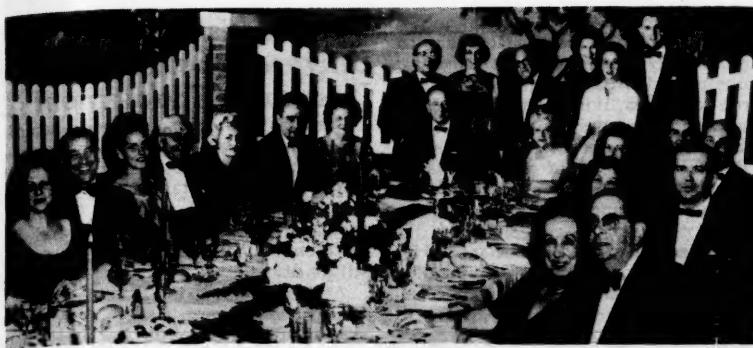
One of the major reasons for these substantial gains is the way Northwestern Mutual puts policyholders' dollars to work.

A four billion dollar investment portfolio stands behind every policy. It consists of high grade bonds and mortgages selected in accordance with the conservative Wisconsin insurance laws. It is under the careful supervision of experienced professionals who are constantly alert to the investment opportunities of our country's economy.

For more information about the investment earnings of a Northwestern Mutual life insurance policy, contact your NML agent. He's listed in the phone book. The Northwestern Mutual Life Insurance Company, Milwaukee, Wis.



The NORTHWESTERN MUTUAL LIFE Insurance Company
MILWAUKEE, WISCONSIN
"BECAUSE THERE IS A DIFFERENCE"



Bankers National Life honors its million-dollar producers and their wives with a week-end at the Essex House in New York City. Pictured at a dinner during the get-together are, from left, seated, Mrs. Richard Fleisher; Paul Parris, Philadelphia; Mrs. William F. Good; Albert A. Esterkin, Columbus, O.; Mrs. Alvin Rosenbluth; William F. Good, agency vice-president; Mrs. George Parris; Ralph R. Lounsbury, chairman; Mrs. Albert A. Esterkin; Mrs. Paul Parris; Alvin Rosenbluth, Hartford; Morris D. Weil, Hartford; Mrs. Harry J. Baker; David B. Peck III, Chicago; Mrs. Ralph R. Lounsbury and Richard Fleisher, Philadelphia. Standing, from left, are Harry J. Baker, Boston; Mrs. John D. Brundage; George Parris, Philadelphia; Mrs. David B. Peck III; Mrs. Morris D. Weil and John D. Brundage, president.

229 Equitable Producers Qualify For Leaders Meet

Equitable Society has qualified 229 million-dollar producers for attendance at its leading producers conference at Bal Harbour, Fla., March 19-22.

The agents will participate in panel discussions on group insurance, fringe benefits, sales specialties and Equitable's new individual disability income program. In the afternoon, question and answer sessions will be staged by morning panel speakers. Speakers, accompanied by home office technical advisers, will man separate rooms, and room hopping will be encouraged.

The president's trophy will be presented during the conference.

George B. Byrnes Opens Office In Los Angeles

George B. Byrnes, former general agent at New York for New England Life, has set up an office in Los Angeles to offer professional services in the sale and administration of business insurance and personal estate plans, as well as pension and employee programs. He is located in the Statler Center, 900 Wilshire Boulevard, operating under the name of the George Byrnes Co.



George B. Byrnes
operating
under the name of the George Byrnes Co.

Before relinquishing his general agency in New York, Mr. Byrnes set many company production records. Under his leadership the agency increased its annual production from \$21.8 million in 1955 to \$42.7 million in 1959. During the same period its insurance in force grew from \$116 million to more than a quarter of a billion.

Much of this growth came from the development of the pension and individual estate planning departments in the agency, the fields in which Mr. Byrnes has specialized for some years. From 1951 to 1959 the number of pension trusts increased from 171 to 399, while the total amount of pension trust business in force rose from \$71 million to \$137 million, more than half the agency's total in-force figure.

Mr. Byrnes was with Equitable Society at Pasadena for 19 years before going with New England in 1954. He is a life member and past chairman of the Million Dollar Round Table and served on the board of American Society of CLU. Soon after joining New England, he sold the company's first individual million dollar policy and its first comprehensive group life and medical plan.

Renewal Guaranty Promotes Hine, Appoints Martine

Renewal Guaranty Corp. has promoted Buford H. Hine Jr. to assistant secretary, and named Eugene O. Martine accountant. Mr. Hine joined Renewal Guaranty last year after having been at Denver with Equitable Life of Iowa for 10 years. Mr. Martine was previously a Ford salesman at La Junta, Colo.



CHANGING TO THE 1958 CSO TABLE?

BOWLES, ANDREWS & TOWNE has available:

- Non-forfeiture values, 2 1/2% and 3%, minimum first 5 years graded into CRVM reserves end of 15 years. CRVM and Net Level reserves, for most standard and some special plans.
- Electronic computing facilities (both Burroughs 220 and IBM 607) for calculating: non-forfeiture values, asset shares, reserves, gross premiums, dividends.
- A large staff experienced in serving as the company's actuary or working as an extension to the company's actuarial department. In addition to computing work the staff can assist in establishing basis of dividends and gross premiums and preparation of policy forms and ratebook text.

For further information write or call

BOWLES, ANDREWS & TOWNE, INC.

RICHMOND: P. O. Box 6716 Richmond 30, Virginia	ATLANTA: 1389 Peachtree Street, N.E. Atlanta 9, Georgia	NEW YORK: 156 William Street New York 38, N. Y.
PORLAND: 465 Congress Street Portland, Maine	DALLAS: 715 Meadows Building Dallas 6, Texas	MIAMI: 100 Biscayne Boulevard, South Miami 32, Florida

ACTUARIES

Alvin Borchardt & Company
CONSULTING ACTUARIES
— AND —
INSURANCE ACCOUNTANTS
Detroit Atlanta

BOWLES, ANDREWS & TOWNE, Inc.
ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS
RICHMOND ATLANTA NEW YORK
PORTLAND DALLAS MIAMI

Haight, Davis & Haight, Inc.
Consulting Actuaries
Insurance—Pensions
2801 North Meridian St. 5002 Dodge St.
Indianapolis 8, Ind. Omaha 32, Neb.

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Consulting Actuaries
Auditors and Accountants
Pension Consultants
Bourse Building Philadelphia 6, Pa.

HARRY S. TRESSEL & ASSOCIATES
Consulting Actuaries
Insurance—Pensions
10 South La Salle Street
Chicago 3, Illinois
FRanklin 2-4020

PROSPEROUS



is the agent selling United Life and Accident's Plusses, the latest being the new GROUP INSURANCE PLAN, providing: Life, Accidental Death and Dismemberment, Weekly Income, Hospital and Surgical or Major Medical, Optional Maternity Benefit — plus generous benefits for dependents of insured.

UNITED LIFE AND ACCIDENT INSURANCE COMPANY

EST. 1913 CONCORD, NEW HAMPSHIRE



Write H. V. Staehle, C.L.U., Field Management Vice President at 5 White Street, Concord, N.H., for full details. Serving: Cal.*, Conn., Del., D.C., Fla.*, Ill.*, Ind.*, La., Md., Me.*, Mass., Mich.*, Miss., N.H., N.J.*., N.C.*., Ohio*, Pa.*., R.I., Vt.*., Va.*.

*Agency-Building General Agency Opportunities Available.

Standard Security Life Major Medical Policy Has \$25,000 Maximum

Standard Security Life has introduced a major medical policy with a \$25,000 maximum called the "Medicare" plan.

The policy is available with a modified premium plan, which permits a going-in rate that is 25% lower than the standard premium. The modified premium continues for three years and is then increased to the standard rate,

which in turn continues until age 65, when a final premium goes into effect. The final premium is 50% of the standard rate.

The policy also has a reducing deductible. The initial deductible is \$1,000, but each year the policy is in effect the deductible is reduced by \$100, until the final deductible of \$500 is reached after five years. The plan pays 85% of covered expenses in excess of the deductible to the \$25,000 maximum, with a maximum of \$10,000 in one year. It is issued to age 65, paying a maximum of \$15,000 for each

covered person after age 65, and is available non-medically to age 56.

A family plan provides coverage for husband, wife and dependent children to age 25 living at home, and automatically covers a newborn child to the next premium date.

Disability waiver of premium is included to age 65. The policy may be written substandard.

Quaker City Life has declared a 5% stock dividend and a cash dividend of 75 cents per share, both payable April 14 to stockholders of record March 31.

Purdue Institute Makes University Beneficiary Of Insurance Endowment

Purdue University has been named beneficiary of a life insurance endowment fund with a \$1 million goal which has been established by graduates of the Purdue institute. The program will be known as the Hal L. Nutt endowment, in honor of the institute director.

At ceremonies in the classrooms, Philip J. Goldberg, Canada Life general agent at New York and a member of the institute faculty, presented to the university 21 policies and 24 pledges totaling approximately \$100,000. The policies range upwards of \$1,000, and, so far, all have been purchased by institute graduates. Dividends and cash values will accrue to the university.

Mr. Goldberg said that this new phase of legacy development is one in which "any philanthropic-minded individual can find a means of donating scholarship, professorships, classrooms, dormitories, or other needs of the college or university."

In expressing the university's appreciation, President Frederick L. Hovde said, "Although it is difficult to measure the return on the investment from any type of educational enterprise, this outstanding display of gratitude upon the part of graduates of our life insurance marketing institute unquestionably would stand near the top."

L. A. County Health Plan Details Are Released; Two Alternatives Are Available

Specifications for the health and hospitalization program for Los Angeles County employees have been outlined by the city's board of supervisors.

The plan will be one of the largest public employee health programs in the United States, covering more than 30,000 employees. It is expected to begin operations in the 1961-62 fiscal year.

The board's decision culminated 18 months of study by the supervisors and their medical-hospital insurance plan committee. Employees will have a choice of two arrangements: One underwritten by an insurance or service organization and offering private choice of physician, or another to be offered by a comprehensive clinic organization, with staff care.

Schillerstrom Agency Wins Paul Revere Sales Trophy

The Schillerstrom agency at New York has been named winner of Paul Revere Life's president's trophy.

Regional presidential citations went to the Sims agency, Knoxville, southern region; Tate, Oklahoma City, southwestern region; Melchart, Cedar Rapids, Ia., central region, and Fulton, Pasadena, Cal., western region.

All of the agencies also represent Massachusetts Protective, parent company of Paul Revere.

Service Guide

CONFIDENTIAL NEGOTIATIONS FOR
SALE OF INSURANCE COMPANIES
Ralph F. Colton
30 N. LaSalle St. Chicago 2, Ill.
Financial 8-8792



The Equitable Life of Iowa provides all kinds of sales aids; Sales Promotion pieces designed to help sell more kinds and more volume of life insurance. Field associates of "The Key Company" know they can grow with these sales aids.



Equitable Life of Iowa

FOUNDED 1867—DES MOINES

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March 11, 1961

LIFE INSURANCE EDITION

11

Country Life's New A&S Program Achieves \$1½ Million In 43 Days

Country Life, writing only in Illinois, has just concluded a successful introduction of its A&S program.

On Jan. 4, 1961 the company entered the health field. The introductory campaign was based on 10,000 applications or 6 months, whichever came first. In the first 43 days, Country Life has written over 11,400 applications, totalling approximately \$1½ million in premium.

Country Life's new program consists of three policies: A hospital-surgical-medical policy, a disability income policy, and a medical catastrophe policy.

Mutual Benefit Life Has IBM 7070 Computer

An IBM 7070 electronic computer has been installed at the home office of Mutual Benefit Life. Actually a complex arrangement of 16 individual electronic machines, the new all-transistor system will be able to review and update all of the company's more than 700,000 policies in force in a single day.

When the present system is fully converted to the 7070, a complete set of all policy records will fill 30 reels of tape. Comparable card records stored in 22-drawer card file cabinets require 30 cabinets.

The 7070 will be linked with an IBM 1401 data processing system, made up of five separate units, which was installed recently. The new system will be capable of performing 1,650,000 logical operations per minute and of reading 62,500 characters per second from magnetic tape.

Approximately 10,000 transactions per day will be performed by the computer. In addition to updating master records, it will add newly issued policies, record premiums paid, summarize payments by account and state, answer specific inquiries, write automatic changes provided in policy contracts, prepare lapse notices, perform premium billing and provide complete reports to management. When required, printed output will be produced at a rate of 600 lines per minute.

N. Y. Life Death Benefits \$140.5 Million In 1960

More than 800 first and second-year claims were included in \$140.5 million in death benefits paid during 1960 by New York Life. Death claims increased \$9 million over the 1959 figure. The company paid \$3.4 million on 423 first-year claims and \$3.6 million on 395 second-year claims. Thirty-five claims for \$228,460 were paid on policies in effect one month or less.

Claims were paid on 85 persons insured for \$100,000 or more. The largest single payment was slightly more than \$1 million and the total of these claims was \$15.6 million.

CLU Institutes To Offer New Series For Graduates

A new series of graduate sessions will be offered this year to CLUs at the annual spring and summer CLU institutes. The new graduate courses will be modeled after the seven-day program held at the University of Georgia last year.

The 1961 program begins this spring with the 27th institute at the University of Georgia's center for continuing education in Athens, April 16-22. Dur-

ing the summer the 28th and 29th institutes will be held at the University of Wisconsin, Madison, July 30-Aug. 5, and at the University of Colorado, Boulder, Aug. 13-19.

The institute board has arranged a curriculum which covers the application of current techniques in estate and business planning, charitable giving in estate planning, the field underwriter's estate, health insurance, current monetary problems, individual policy pension plans, profit-sharing plans, and corporate organization and reorganization.

Lincoln National Life To Utilize 'New Money' Concept On Dividends

Lincoln National Life reports that dividend calculations on unit purchase group annuities and deposit administration group annuities will be made using the so-called "new money" method of determining interest credits for increases in fund balances for policy years ending in 1961. The rate credited to "new money" for the 1960-61 policy year will be 5.03%. Cases which ori-

ginated prior to 1960 will be credited with the "new money" rate for the 1960-61 increase in fund balances. Money held prior to the policy anniversary in 1960 will be credited with the average rate basis previously in effect. Cases originating this year will receive interest credits for dividend calculations on 1962 policy anniversaries based on the "new money" rate for 1961. These credits could be greater or less than 5.03%.

The "new money" principle will not apply to conversion reserves held by the company on individual policy plans.

- An information system for fire and casualty companies



Get policyholder status immediately

...with new IBM RAMAC® 1401 or 1410 Data Processing Systems

Fire and casualty companies can now give faster service to agents and policyholders. With new IBM random access systems, status on any policy is available in seconds.

The new systems can do this because all policy information is stored on magnetic discs and is instantly accessible. The IBM RAMAC 1401 stores up to 20 million characters, and the IBM RAMAC 1410 up to 100 million.

In addition, these data processing systems automatically rate and code

approved applications and write policies at speeds up to 600 lines a minute.

IBM RAMAC systems take care of all routine procedures automatically, accurately and quickly. They handle renewals, changes, endorsements, claims payments and agents' statements. They update and maintain all other necessary records.

Get the full story. Find out how the new IBM RAMAC 1401 and 1410 Data Processing Systems help you improve service. Call your IBM office.

IBM
DATA PROCESSING

Bequest Plan Aids Israeli Institutions

(CONTINUED FROM PAGE 2)

purposes the premium paid on the policy of which the tax-exempt organization is both the owner and irrevocable beneficiary.

Boosts Marital Deduction

On the estate tax side, by retaining an "incident of ownership"—which is nothing more than reserving the right to determine by testamentary instrument or otherwise the settlement op-

tion by which the charity will receive the proceeds—the donor renders the insurance proceeds subject to calculation in his estate, thereby increasing the marital deduction. In this way, a gift to Israel, in the form of life insurance proceeds, increases the net amount that a man is able to leave to his family, Mr. Goldberg points out.

In presenting his proposal for charitable endowment insurance, Mr. Goldberg first shows how a hypothetical

estate would work out in the absence of such insurance. Suppose the man would leave a gross estate, after deduction of all expenses, totaling \$300,000. He may leave half that amount to his wife tax-free by using the marital deduction. He is further entitled to a personal exemption of \$60,000. He will therefore pay a federal estate tax of \$17,500, based on a net taxable estate of \$90,000.

On the other hand, if the same donor were to participate in a program of life insurance endowment for Israeli in-

stitutions, taking out a \$100,000 life insurance policy, his gross estate would be raised to \$400,000. He could give his wife \$200,000 tax-free via the marital deduction. He would enjoy a \$100,000 estate tax deduction based on the charitable gift through the life insurance policy, plus the regular \$60,000 personal exemption. Thus he would have a net taxable estate of \$40,000, on which the tax would be \$4,800. Hence, by making a charitable bequest through life insurance to Israel, the donor saves \$12,700 for his family.

Mr. Goldberg sells a great deal of business on the charitable endowment approach and believes the potential for such sales is vast. On behalf of a group of alumni of the Purdue Institute of Life Insurance Marketing, he recently presented to the university 19 life insurance policies and 26 additional pledges totaling about \$100,000. The goal is a million dollars to be raised in this way from graduates of the marketing institute. It is called the Hal L. Nutt endowment, in honor of the man who has directed the institute since 1950.

There are so many ways that charitable endowments can be aided through life insurance that Mr. Goldberg believes a great deal can be done by this medium if life insurance men will think of it and give it priority, where it is appropriate, in charitable projects in which they are interested, in addition to actually soliciting sales on this basis.

Melvyn, Not Solomon Huber Will Be Faculty Member Of U. Of Conn. Agents School

Melvyn J. Huber, associate general agent of Mutual Benefit Life at New York, will be a member of the faculty of the annual Life Underwriting School next summer at the University of Connecticut, July 24-28, and not his father, Solomon Huber, Mutual Benefit general agent at New York, as was incorrectly reported in the Feb. 25 issue of THE NATIONAL UNDERWRITER.

Western Life Of St. Paul Is Holding 16 Meetings

A series of 16 one-day sales conferences are being held nationwide by Western Life of St. Paul. Agents will hear home office executives give summaries of 1960 sales results and plans for 1961.

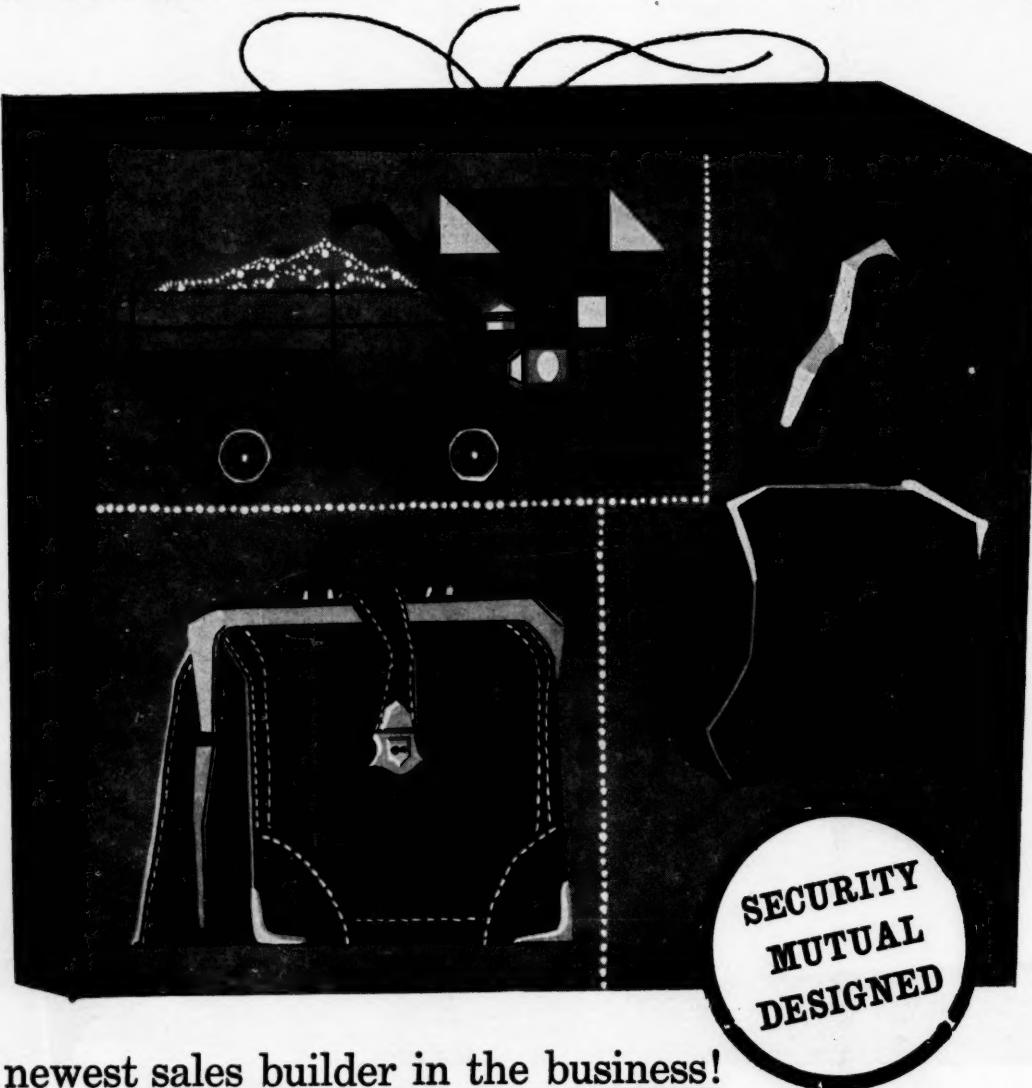
Management personnel will also report on Western's transfer of part of its operation from Helena to St. Paul. The life insurance affiliate of St. Paul F&M. plans to complete its switch of operations to a new \$6 million St. Paul-Western headquarters by fall of 1961.

R. B. Richardson, president, T. P. Patterson, 1st vice-president, and Robert L. Utne, agency vice-president, will address the meetings and lay out goals for 1961. The agents will also receive information and sales aids from officials of Western's group insurance, A&S and advanced underwriting departments.

Conferences are being held in Wichita, Kan.; Orlando, Fla.; Dallas, Denver, Birmingham, Albuquerque, Phoenix, Salt Lake City, Helena, Seattle, Cincinnati, San Francisco, Toledo, Los Angeles, Omaha and St. Paul.

Aetna Life has increased its quarterly dividend to stockholders to 40 cents, up five cents. Aetna Casualty & Surety, a subsidiary, increased its dividend from 30 cents to 35 cents. Both dividends are payable April 1 to stockholders of record March 10.

Life & Non-Can Sickness & Accident Package!



...newest sales builder in the business!

NOW...a new "packaged series" of non-cancellable, guaranteed renewable income replacement policies SECURITY MUTUAL DESIGNED to sell to SMALL BUSINESSMEN, PARTNERSHIPS, KEYMEN, BUSINESS and PROFESSIONAL WOMEN, FARMERS! Take a good look at these business-building features: 1—WAIVER OF PREMIUM while your insured is totally disabled, even beyond his benefit period; 2—DIVIDENDS to reduce premiums, to accumulate at interest, or in cash; 3—OPTIONAL PARTIAL DISABILITY for S & A male risks; 4—NEW PROSPECT PROBABILITIES with coverage now extended to the vast female market of business and professional women, and also to farmers; 5—EASY-TO-READ, UNDERSTANDABLE FORMAT featuring a fill-in schedule that eliminates riders. Five policies are featured in this new "packaged program": three S & A, two Accident-Only. Here you have the kind of income protection needed by today's small businessmen...partnerships...keymen...professional men...business and professional women...farmers! Here you have coverage and flexibility backed by the recognized quality and prestige of Security Mutual! Check on this most-sellable insurance package in years—then contact your Security Mutual man—he's a good man to know!

SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Richard E. Pille, President.

Robert M. Best, C.L.U.
Vice President—Agencies.



your security our mutual responsibility

81 EXCHANGE STREET, BINGHAMTON, NEW YORK

Osler Sees Equal Need For Life, A&S

It is impossible to separate life and health insurance and still say you have rendered the client true service, R. W. Osler, president of Underwriters National of Indianapolis, told students in the life and health brokerage course at Poh's Institute of Insurance, New York City. Mr. Osler, author of several insurance texts, was a guest lecturer in the course of which William Harmelin, supervisor of Continental Assurance at New York, serves as regular instructor.

"The problem a man faces is not death or disability or old age. These things in themselves are not economic problems," Mr. Osler declared. "The problem is loss of income. What causes that loss—death, disability, or old age—makes absolutely no difference in the economic result. To ignore that fact, to concentrate on death alone or disability alone, is failure to do a conscientious job of financial planning for the client."

Down the Line

Every one of the basic needs of a family for death protection is equally a need for disability protection, the

speaker pointed out. "Go right down the line, from clean-up fund through blackout period, excepting only retirement, and you have a need, not for just life insurance and not for just disability insurance, but for the two together," Mr. Osler declared.

Taking up basic needs one by one, Mr. Osler showed how each is a need for life and health insurance together, not one or the other alone. "If a family says it must have, say, \$300 a month over and above social sec-

urity in case of death of the father, then it also needs that same amount in case of his inability to earn because of disability. If there is any need for a widow to have income after the children are grown, the need is there for the economic widow of a disabled man," he said.

General American Life's F. R. Sale Leads Agents

General American Life's four top individual awards for 1960 went to Fred R. Sale, St. Louis, top man of the year for leadership in paid ordinary life volume; B. L. Crowell, Amarillo, new man of the year for ordinary life volume; Arthur J. Obermeier, St. Louis, health man of the year, and R. R. Dodson, Pittsburgh, group man of the year. They have been with the company since 1940, 1959, 1957 and 1956, respectively.

category was taken by Othmar R. Capron, New Orleans, with \$49,825. Winner of second place in total production was Leon Belshin, Sacramento, with \$2,058,701.

Hansen Opens Dallas Office

Arthur Steddy Hansen, Chicago consulting actuaries, has opened an office in Dallas. William N. Bret Jr., formerly a partner of Morss, Seal & Bret of Dallas, is in charge of the new office, and Richard C. Keating, who has been at Chicago, will head the actuarial department.

to the life insurance man who feels he is qualified for agency management . . .

If you're "stymied" on management opportunities with your present company, this should interest you.

Our company has doubled in size in 40 months. We have dozens of areas throughout the West "flagged" for agency development. As a result, we are in need of management caliber men.

To attract the type of people we want, we have established what we feel is the industry's most comprehensive management development program. If intensive testing is favorable, a candidate is immediately made an Assistant Manager. He receives intensive training and field experience in management functions. He then serves 3 to 6 months as a home office staff executive in our Agency Department, handling special management assignments throughout our territory. Upon completion of this period of indoctrination, he is immediately available for appointment as Agency Manager.

Our requirements are high, but don't necessarily include management experience. Successful candidates receive a liberal salary plus commissions and overrides.

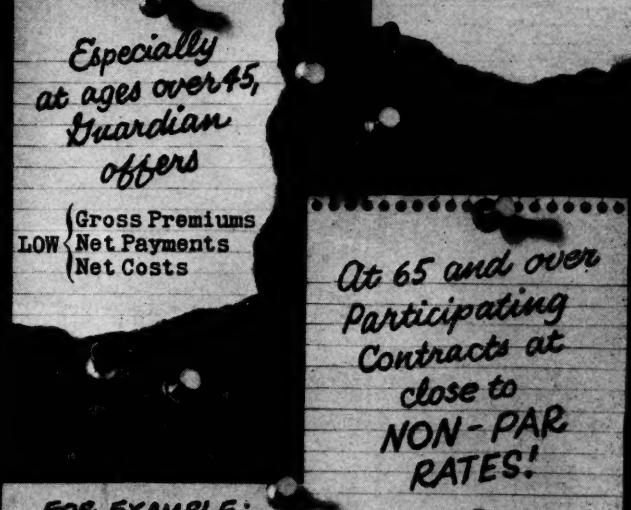
If you are interested in discussing this management opportunity with us, let us hear from you.

WRITE:

**LYNN TENNEY, Vice President & Manager
of Agencies, California-Western States
Life Insurance Company, P. O. Box 959,
Sacramento, California**

Brokers Look to Guardian for the Plus that Makes the Sale at the Higher Ages

- OLDER CLIENTS
- are excellent prospects for
- BIGGER Policies
- frequently need Business Insurance.



FOR EXAMPLE:

Age 65-\$25,000 Preferred Risk Ordinary Life

- Annual Premium - \$1,763.00
- Average Annual Net Payment*
for 20 years - \$1,521.00
- Average Annual Net Cost**
for 20 years - \$711.00

Net Payment is premiums less annual dividends over period shown; Net Cost is premiums less annual dividends less 20th year cash value and settlement dividend. Dividends are based on the 1961 dividend scale, not guaranteed.

Call your Guardian Manager for a copy of "The Plus that Makes the Sale," or write to:

The GUARDIAN Life Insurance Company
OF AMERICA

A Mutual Company • Established 1860
Park Avenue South at 17th Street, New York 3, New York

Atlantic Life Sale To Southwestern Life Is Voted By Stockholders

The stockholders of Life Companies Inc., holding company for Atlantic Life, have voted in favor of a directors recommendation to sell more than 90% of the capital stock in the life company to Southwestern Life. The deal involves a cash sale of almost \$29 million worth of Atlantic stock.

Since Atlantic is Life Companies' last insurance company, the stockholders also voted to liquidate the holding company.

Southwestern has more than \$2.1 billion of insurance in force and assets of more than \$500 million, and Atlantic has insurance in force of over \$500 million and assets of more than \$100 million. The acquisition will extend Southwestern's operations into eight new states, in addition to the 10-state area where it is presently licensed to do business.

New England Life 4-Time Winner

BOSTON—New England Life's home office and all three of its Boston agen-

cies—Summers, Hays and Partridge—were awarded gold medals for having 90% or more employee participation in the 1961 Greater Boston United Fund Campaign. Only 52 other such medals were awarded. President O. Kelley Anderson and Administrative Vice-president James B. McIntosh served as directors of the campaign.

Hammel Heads Zone 6

Paul A. Hammel of Nevada has been elected chairman of Zone 6 of National Assn. of Insurance Commissioners, and at the same time becomes a member of the examinations committee of NAIC.

Nominations for zone chairman were solicited by mail by Commissioner Beery of Colorado, at the request of zone commissioners, and after the nominations were received a ballot was taken and Mr. Hammel won out over three other nominees.

Homesteaders Life's Whitaker agency of Denver led all agencies during February. The leading individual producer was Milton Fodiman, Panorama City, Cal.

SHOW 1960 INSURANCE RESULTS

	1960 New Business	1959 New Business	1960 Increase in Insurance In Force	1959 Increase in Insurance In Force	Insurance In Force Dec. 31, 1960
Cal.-Western States	345,750,794	289,405,198	504,282,955	275,113,949	3,187,569,114
Continental Assurance	628,895,791	718,314,314	654,195,336	768,473,950	6,944,389,903
Dominion Life, Canada	144,525,366	145,634,192	74,221,747	88,704,752	1,013,704,411
Equitable Society	3,007,794,327	2,635,474,526	2,815,758,377	2,252,786,444	38,437,328,870
Life of Georgia	437,822,040	488,244,937	62,915,580	138,475,347	1,784,267,764
Mutual Life, Canada	360,544,291	353,483,277	255,278,409	268,504,620	3,179,505,457
New England Life	896,689,564	914,536,402	459,993,885	514,697,737	7,042,890,567
New York Life	3,030,263,691	2,874,398,694	1,680,543,668	1,713,423,132	24,043,900,323
Security Life & Accident	109,867,630	114,324,118	58,123,643	42,251,691	716,322,481
Shenandoah Life	40,245,430	44,135,920	53,746,433	16,390,692	596,336,817
Southland Life, Tex.	219,960,899	181,831,997	100,061,974	88,796,183	1,426,219,404
State Mutual Life	358,718,162	414,674,168	167,557,394	256,440,448	3,125,055,786
Travelers	2,427,680,366	2,670,857,517	1,789,045,371	2,124,800,065	26,961,412,902
West Coast Life	57,278,568	68,505,850	28,338,483	32,679,847	683,241,551



TAKE FULL MEASURE OF THE COMPANY YOU SEEK

NUMEROUS life insurance companies can boast of particular strong points and advantages. When embarking upon a General Agency career, your future will be happier and more rewarding if the company you select can "measure up" to these qualifications:

Earning Potential Protective Life's General Agents Agreement provides top commissions, overriding commissions, vested renewals, service fees and a liberal expense arrangement.

Competitive Position Protective Life meets competition on all forms of Ordinary Life policies, both Par and Non-Par, and on all types of Group Insurance.

Stability Protective Life has \$114.43 of resources for each \$100.00 of liabilities.

Progressiveness Protective Life has an Audio-Visual Selling Program, Quantity Discount premium system, and writes such "special" coverages as Disability Income and Guaranteed Insurability.

Reputation Protective Life is now in its 53rd year of successful operation, has more than a billion dollars of life insurance in force and carries an "Excellent A-Plus" rating by independent authorities for the ranking of insurance companies.

Opportunity General Agency opportunities unlimited throughout the Southeast for experienced Agents doing well in life insurance business, yet somewhat impatient with prospects for future advancement.

Your inquiry is invited.

PROTECTIVE LIFE Insurance Company

Col. William J. Rushton, President

BIRMINGHAM, ALABAMA

WE PAY LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO!

Terminologists Will Study Basic Terms

(CONTINUED FROM PAGE 1)

the implications of all these designations will be desirable, so that ultimately the committee may recommend one or more terms.

'Badly Needs Overhauling'

Said Dr. Huebner in connection with the life committee's appointment: "The language of life insurance is badly in need of overhauling. I am quite certain that serious problems of communica-

tion exist among ourselves within life insurance and between life insurance and the public. It is my earnest hope that this committee can focus attention upon this problem and make some real progress in the years to come."

David A. Ivry, school of business administration, University of Connecticut, is acting as committee editor. He and Dr. Huebner will be in touch with other members of the committee and send them materials pertaining to

the committee's work. Other members of the committee are the following:

Kenneth Black Jr., Georgia State College, editor CLU Journal; Robert Dechert, lawyer, Philadelphia; E. J. Faulkner, Woodmen Accident & Life; Alfred N. Guertin, American Life Convention; Kenneth W. Herrick, Texas Christian University; Holgar J. Johnson, Institute of Life Insurance; Jack C. Keir, American College; Robert S. Kieffer, Metropolitan Life; David E. Kilgour, Great-West Life; M. Albert Linton, Provident Mutual Life; William P. Lynch, Prudential; Dan M. McGill, S. S. Huebner Foundation for Insurance Education; Paul S. Mills, American Society of CLU; Robert B. Mitchell, The National Underwriter; Paul A. Norton, New York Life; Loran E. Powell, Life Underwriter Training Council; Clifford B. Reeves, Mutual of New York; Lester O. Schriener, National Assn. of Life Un-

derwriters; Eugene M. Thore, Life Insurance Assn. of America; Edwin H. White, Insurances R & R; Alfred G. Whitney, LIAMA; Edmund L. Zalinski, Life of North America; Charles J. Zimmerman, Connecticut Mutual Life. Members ex-officio: William T. Beadles, editor AAUTI Journal of Insurance, and Davis W. Gregg, American College, chairman commission on insurance terminology.

5 Mass. Mutual First-Year Agents' Ordinary Volume Is More Than 5½ Million

Winners of Massachusetts Mutual's "Freshman Five" award, for agents with no previous full time life insurance sales experience who have completed their first contract year in 1960, had an ordinary production total of more than \$5½ million.

The winners, based on volume, first-year commissions and lives, are Stanley W. Gerlach, Panorama City, Cal., volume and commissions leader with production of \$1,780,000; Thomas L. Thorkelson, Santa Ana, Cal., number of lives, with total volume of \$1,026,100; George F. Jochem, Miami, \$1,050,061; Charles R. Durkin, Columbus, O., \$948,920, and William M. Osborne, Billings, Mont., \$794,500.

Wisconsin National Has Overhead Expense Policy

Wisconsin National Life has issued a professional overhead expense policy which pays for office overhead while insured is absent because of disability. It is available to individuals or joint occupants but will not be sold on a partnership basis. In the event of joint occupancy, the contract pays insured's portion of charges incurred in operation of his office.

The plan will be written on professional men and women from ages 18 through 60 with either a 14- or 30-day waiting period. Benefits are from \$100 to \$1,000 per month but not to exceed 80% of applicant's overhead expenses. In the event of total disability, the policy pays for only the actual covered office expenses incurred by insured and accruing during such period of disability.

NOW SERVING 600,000 LUTHERANS— AAL KEEPS GROWING EVERY YEAR

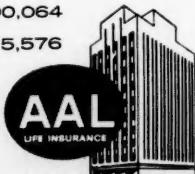
New life insurance paid for by members of Aid Association for Lutherans has exceeded, for the 22nd consecutive time, that of the previous year. AAL now numbers 600,000 members who own \$1,807,498,252 of life insurance — an increase of 12 per cent in total insurance in force.

A COMPARATIVE REPORT SHOWING GROWTH DURING PAST 10 YEARS

1950	1960
\$554,382,227	\$1,807,498,252
\$56,855,343	\$245,978,381
\$2,156,805	\$6,716,374
400,483	721,142
3,192	3,599
\$133,290,096	\$332,690,064
\$58,396,773	\$148,315,576
Benefits paid and surplus refunded to members and beneficiaries since founding date in 1902	

AMERICA'S LARGEST FRATERNAL LIFE INSURANCE SOCIETY

AID ASSOCIATION FOR LUTHERANS • APPLETON, WISCONSIN



Iowa State Travelers
MUTUAL ASSOCIATION
DUTTON STAHL, President
DES MOINES



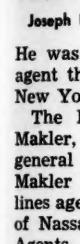
RECOGNIZED VALUE

More than 10% of all new business written by Iowa State Travelers in 1960 was issued to men in the Insurance Industry.

Since 1880 —
Accident Insurance at
Low Cost



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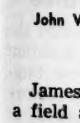
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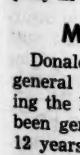
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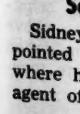
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Changes In The Field

Postal Life



A. H. DeBorst

A. H. DeBorst has been appointed general agent at Grand Rapids. He has a general lines agency there and started in the business as a debit agent for Metropolitan Life at Kalamazoo.

Joseph R. Urciuoli has been appointed general agent at Syracuse. He has been in the casualty business and before that was staff manager at Syracuse of Unity Mutual Life. Earlier he was a debit agent of Prudential.

James F. Wilcox Jr. has been appointed general agent at New London.



Joseph R. Urciuoli



James F. Wilcox Jr.

He was formerly an independent life agent there and before that was with New York Life.

The M & M agency, Howard M. Makler, president, has been appointed general agent at Levittown, N.Y. Mr. Makler is also president of a general lines agency there and is vice-president of Nassau County Assn. of Insurance Agents.

Mutual Benefit Life

Charles R. Gibbs has been appointed associate general agent at Los Angeles. He joined the company there in 1946 and became supervisor in 1948.

Standard Life, Indiana



John W. Buda

John W. Buda has been appointed agencies director for Michigan. He had been with New England Life and is a six-time qualifier for the National Quality Award.

Southland Life

James O. Rechtin has been named a field assistant. He joined the company in 1959 at Tulsa.

Midland Mutual Life

Donald E. Miller has been appointed general agent at Canton, O., succeeding the late William D. Dent who had been general agent there for the past 12 years.

Security Mutual Life

Sidney S. Roberts has been appointed general agent at New York, where he has been associate general agent of New England Life. He was

with Prudential there as division manager and before that was with John Hancock.

Bankers Of Nebraska



Donald H. Sizer

New general agents are Donald H. Sizer at Dallas and Daniel S. McLeod at Spencer, Ia. Mr. Sizer has been assistant manager at Dallas of New England Life, and Mr. McLeod was previously district manager at Spencer of Equitable Society.

An agency in Fort Worth, the company's second agency in Texas, has been opened with William L. Cope as manager. For the past two years Mr. Cope has been with Pioneer Mutual.

Also named general agents are Charles P. Noell, St. Louis, who has been with State Mutual Life, and Jack E. Morrison, Spokane.

Massachusetts Mutual

Harold K. Heyer has been appointed district manager of the Queens agency at Jamaica, N.Y., district agency of the Steinberg agency at New York. He has been brokerage supervisor of the Queens agency.

Hartford Life

M. C. Hopkins has been appointed manager of a new agency at Oklahoma City, where he has been assistant manager of Travelers.

Occidental Of California

Gerald Tessler has been appointed assistant brokerage manager at St. Louis. He has been in the business since 1956 as an agent with Pacific Mutual Life.

William L. Ward has been appointed assistant brokerage manager at Kansas City. He has been with Occidental as an agent there since 1956.

C. Curtis Sloan has been appointed

Don't
Just
Wish...

Enjoy
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All
Your Own!

State Life is establishing new agencies in many states and are constantly on the alert for keen men who want to see themselves in bigger, more rewarding positions. Don't just wait and wish . . . discover for yourself all the benefits you can enjoy by being an agency manager or assistant with the State Life—

- High, liberal commissions
- Retirement benefits
- Bonuses for volume and persistency
- Group life insurance
- Hospitalization, major medical benefits
- Thorough and complete training
- Career financing
- Full educational facilities
- Bank draft plan
- Finest . . . most modern and productive direct mail

Write today and find out what State Life can do for you . . . there's no obligation.

DIHL H. LUCUS—Vice-President and Director of Agencies

The
STATE LIFE
Insurance Company
Indianapolis
A MUTUAL COMPANY FOUNDED 1894

MAN WITH A FUTURE

Being "on his way" in the business world, this young man has wisely made provision for his and his family's future financial security. For 78 years, Modern Woodmen has been helping young families assure a financially sound future. Our Agents apply well-conceived life insurance plans to cover most contingencies—we have a plan to fit any situation and any pocketbook.



For Modern Life Insurance
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MODERN WOODMEN of America • Home Office • Rock Island, Ill.

assistant branch manager at El Paso. He has been with Aetna Life and, most recently, Lafayette Life.

General American Life

Alex Drobish, in the life insurance business since 1946, has been named a general agent in Detroit. The company now has seven agencies in that city.

New York Life

Thomas Price, management assistant, has been appointed manager of the southeast Texas office at Houston, succeeding Thomas D. Vaughn, who

has been transferred to Tulsa. Mr. Price joined the company at McComb, Miss., and has been assistant manager at Jackson, Miss., agency instructor at Baton Rouge, assistant manager at Amarillo and manager at Lubbock, Tex.

Ralph C. Phillips, manager at Nicollet, Minn., has been transferred to Oklahoma City, to succeed Charles W. Callaway, who in turn has been transferred to Springfield, Mo. Mr. Callaway succeeds V. Dale Seat, who has been transferred to Midland, Tex., where he will replace Donald E. York,

who becomes manager of the Houston general office.

John Hancock

Estate Underwriters Agency, general agent for the company at Clayton, Mo., has appointed Nathan Polinsky vice-president and estate planning director. He has been with Massachusetts Mutual Life for the past three years.

United States Life

Advanced Underwriters has been appointed general agent at Grosse

Pointe, Mich. Robert H. Hawkins, president of the agency, is a CLU.

Robert Fleischman has been appointed brokerage manager at the Independent agency, general agent at New York. He was formerly with Metropolitan Life.

Mutual Of New York

Gerald W. Speicher, managerial trainee, has been appointed manager at Santa Rosa, Cal., to replace M. Bruce Goshorn, who has resigned. Mr. Speicher was formerly assistant manager at Des Moines.

Gerald W. Speicher



Home Life Of N. Y.

Andrew A. Muzzetto, district group representative at the New York regional group office, has been appointed manager of the new district group office at Newark. He has been group representative at the Chicago regional group office.

Liberty National Life



R. E. Bell, associate manager at Rome, Ga., has been promoted to district manager at Orlando.

R. E. Bell

Prudential

Paul Beeson, regional supervisor of district agencies in the Chicago regional home office, has been promoted to manager of Mount Vernon, Ill., district office.

Clyde Torp, manager of the Evergreen Park, Ill., district office has been named manager of the Marquette district office there.

FARM BUREAU LIFE of Des Moines has named Paul Siedenburg Iowa agency director. He has been with the company since 1949, most recently as associate sales director.

TEXAS RESERVE LIFE—Ronald F. Sheppard has been named general agent at San Antonio.

W. T. Fitzgerald Assistant Director Of Purdue Course

William T. Fitzgerald has joined the staff of the Purdue course as assistant director. He has been with New England Life at Pittsburgh, and before that was a group representative of Pittsburgh Blue Cross-Blue Shield.

Mr. Fitzgerald entered the life insurance business as a debit agent with Metropolitan Life. He is a qualifying member of Million Dollar Round Table.

Contributes To College Fund

Liberty National Life has contributed \$1,000 to the Alabama Foundation for Independent Colleges, bringing the total of contributions above the \$100,000 mark. The foundation covers Alabama's seven private four-year colleges.

BUILDING FOR TOMORROW!

For the third time in its 110 years, Phoenix Mutual announces plans for a new Home Office building to meet the demands of present and future growth. This is a significant step . . . for it is a direct result of the confidence placed in the Company by many thousands of families and business owners who are building programs of life insurance savings and protection to meet tomorrow's needs.

ASSETS

	% of Total
United States Government Bonds	4.2
All Other Bonds	38.5
First Mortgages on Real Estate	42.2
Real Estate (Including Home Office)	2.1
Stocks	2.2
Policy Loans	8.2
Cash	.4
Other Assets	2.2
Total	\$894,431,853 100.0

LIABILITIES

Reserves for Insurance and Annuities	\$677,586,424
Policyholder Funds at Interest	120,373,957
Reserves for Dividends Payable in 1961	12,664,268
Incomplete Claims	3,161,735
Reserves for Taxes and Miscellaneous Purposes	19,295,896
Contingency and Security Valuation Reserves	11,331,880
Surplus	50,017,691
Total	\$894,431,853



PHOENIX MUTUAL LIFE INSURANCE COMPANY

OF HARTFORD, CONNECTICUT



Home Office Changes

Canada Life

The company has named Graham F. Towers chairman. He became a director in 1955 after retiring as first governor of Bank of Canada. He is also chairman of British Petroleum of Canada and a director of a number of other companies.



Graham F. Towers

John Hancock

Dr. C. Marshall Lee Jr., assistant medical director, has been promoted to associate medical director.

Prudential

Charles Anger, junior administrative assistant, agencies administrative di-

sion, in the Chicago regional home office, has been promoted to agencies service representative.

INTER-STATE ASSURANCE of Des Moines has named Vernon B. Hill vice-president and agencies director. He began with Home Mutual of Des Moines, went with the Iowa department as examiner, joined Farmers Mutual of Madison as district manager, and for the past six years has been a general agent with National Travelers Life.

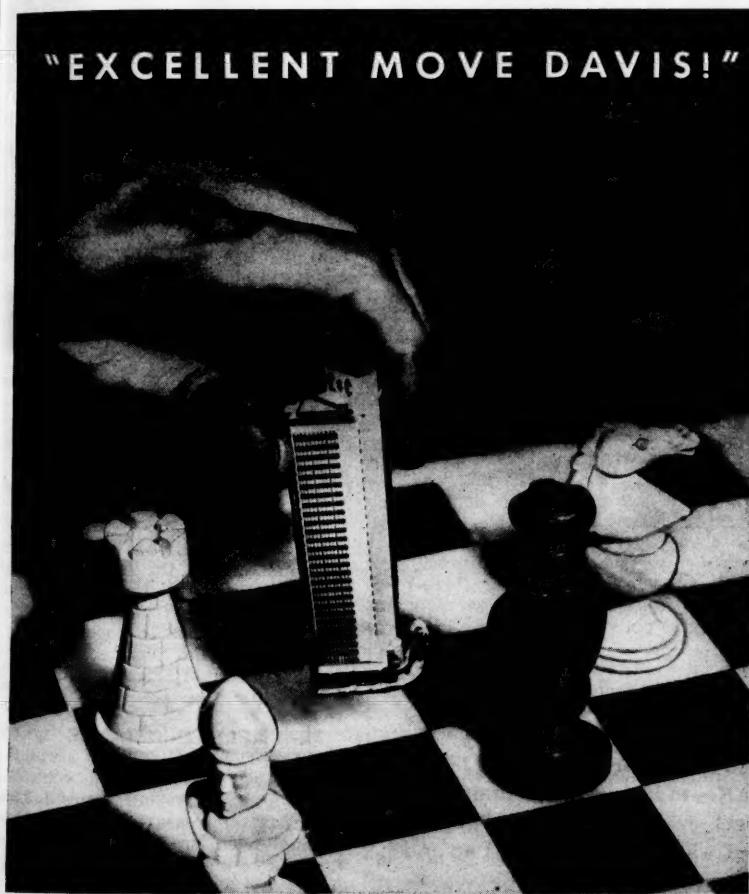


Vernon B. Hill

Georgia International Life

M. F. Bradley has been appointed director of the new special lines de-

"EXCELLENT MOVE DAVIS!"



"Smart of you to choose Life & Casualty of Tennessee for that reinsurance connection, Davis."

"Thank you, sir. But since L & C has no restrictions on recapture, low rates, and less than 24 hours service in the entire southeast,* there was really no choice."



Jim Rundle,
Vice-President,
Reinsurance Division



Counsel and Technical Assistance offered new companies.

partment. He was formerly managing general agent for Home F.&M. and for Federal Mutual, both at Milwaukee. Before that he was with Continental Casualty as manager of the wholesale division.

American United

Thomas E. Atkinson has been appointed assistant manager of training, and Arthur W. Lindell is the new health insurance underwriting manager. Mr. Atkinson has been with Massachusetts Indemnity & Life, and Mr. Lindell's previous experience has

been with Continental Casualty, Washington National, American Mutual, Lumbermens Mutual and, most recently, Federal L.&C.

Old Equity Life

Raymond G. Campbell has been appointed life agency director.

New York Life

William R. Middlethon and Clinton Montz, managers at Miami and New Orleans, respectively, have been promoted to inspectors of agencies. Mr. Middlethon has been manager at New

"Hal, when you chose our reinsurer, you were on the soundest medical ground!"



"Well, I've been hearing good things about North American Reassurance from the rest of the staff, but I'm specially interested in your 'medical' opinion, Bill."

"Just take this Rating Manual they gave us. The most complete, authoritative life manual I've seen... like having the best informed GP at your side."

"Glad to hear it. Each of their ceding companies gets one, and I understand North American Re does a bang-up job of keeping the manual updated. Anything else impress you?"

"Yes—their medical underwriting capa-

bility is not only broad, but deep. After all, assessing unusual or combination risks is the toughest part of medical underwriting. Their staff and consultants are helpful to us because they're exposed to so many and varied substandard risks. For example, look at these papers published by North American Reassurance. They really know heart disease from the standpoint of insurability."

"I see what you mean. You know, I think their reinsurance services are what they are partly because that's the only business they're in... and I like that. By the way, I'd like to borrow these cardiovascular and coronary papers to read."

"O.K.—but I want them back for our medical library soon as you're done."



Right. These four papers, written in whole or in part by Dr. Harry E. Ungerleider, Consulting Medical Director of North American Reassurance Company, should be in the medical library of every life company.

- Insurability in Cardiovascular Disease
- Newer Horizons in Medical Underwriting
- Long-Term Prognosis and Insurability in Coronary Heart Disease
- Life Expectancy and Insurability in Heart Disease

Would you like a copy of each? Simply address:

NORTH AMERICAN REASSURANCE COMPANY

161 East 42nd Street, New York 17, New York

Regional Offices

230 North Michigan Ave., Chicago 1, Ill.
1509 Main Street, Dallas 1, Texas
400 Montgomery St., San Francisco 4, Calif.

Reinsurance Exclusively

LIFE • ACCIDENT & SICKNESS • GROUP

March 11, 1958

York and Knoxville. Mr. Montz has been manager at Jackson, Miss., and prior to that was assistant manager at New Orleans.

Republic National

Patrick J. Turner has been appointed agencies superintendent. He is a former FBI man.

T. J. Weesner, who joined the company's policy issue department in 1953 and was named manager of the payroll department in 1955, has been named assistant secretary and office manager of group.



Patrick J. Turner

Farmers & Bankers, Kansas

R. W. Wait has been promoted to vice-president and R. L. Burns Jr. to treasurer. They assume the duties of J. H. Stewart Jr., who is retiring

after 39 years with the company. Mr. Wait will continue as secretary. Mr. Burns, who is the son of President R. L. Burns, has been assistant treasurer.

Continental Assurance

William J. Stevens has been promoted to sales supervisor of individual health insurance. He joined that department last year after seven years in personal production. He will be responsible for national sales promotion, training and development of non-cancellable disability income, guaranteed renewable major medical and basic hospital plans.



William J. Stevens

Colonial Life

Vincent S. McGeehan has been appointed assistant director of group

sales. He was formerly New Jersey district group sales representative at Newark for Phoenix Mutual Life and before that was in Prudential's group sales and service division.

Peter F. Manto, manager at Newark, has been appointed manager at New York.

United Benefit Life

Arthur W. Larsen, vice-president and actuary, has retired after 20 years with the company.

Dale R. Gustafson, with the com-



Dale R. Gustafson



Arthur W. Larsen



W. M. Sausser

Life Of North America

W. M. Sausser, executive sales specialist in the group department, has been appointed manager of the mass coverages division. He was formerly 2nd vice-president of Variable Annuity Life and before that was assistant to the president of Old Republic Life.

D. L. Hopkins, director of sales promotion, has been named manager of the sales promotion division. He has been assistant advertising manager of State Mutual Life and advertising assistant of New England Life



R. O. Bonnell Jr.



D. L. Hopkins

He has been a member of the executive committee of Life Advertisers Assn.

R. O. Bonnell Jr., executive assistant in the marketing department, has been promoted to manager of the life re-insurance division. He was supervisor of sales promotion of New York Life.

P. A. Turberg, assistant actuary, has been promoted to associate actuary. An associate of Society of Actuaries, he was formerly with New York Life.

D. S. Vincent, chief underwriter, has been given officer status. He was formerly director of selection of Security-Connecticut Life and before that was with Connecticut Mutual Life. He is fellow of Life Office Management Assn.

HARLEYSVILLE MUTUAL—C

Robert Buck has been appointed life sales manager of the life affiliate being organized by the Harleysville group of companies. He has been district manager of Equitable Society at West Chester, Pa., and has been president and a director of Chester County Life Underwriters Assn.

TEACHERS INSURANCE & ANNUITY—Donald L. Trost, accounting officer, has been named controller. Henry P. Dart Jr. and James J. Lawlor, assistant treasurers, and Matthew J. Smokovich, assistant accounting officer, have been named assistant controllers.

INDEPENDENCE LIFE of Pasadena has named K. N. Tolbert and J. W. Carter assistant vice-presidents. Mr. Tolbert is controller and Mr. Carter is in charge of all underwriting.

NATIONAL LIFE OF CANADA has elected Robert P. Crawford, vice-president, a director. He is also vice-president and a director of Glens Falls fire and casualty company.

KENTUCKY CENTRAL L.&A.—Elliott Jones Jr. and Clifford C. Root have been named southern division supervisors.

CONSUMERS NATIONAL LIFE of Evansville, Ind., has appointed John T. Almon director of estate planning and business insurance. He has been with Metropolitan since 1936.

March 11, 1958

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Traffic Stopper!

You'll get the eager attention of a constant stream of prospects with Jefferson National's **MASTER MONEY BUILDER**—today's newest and most unique concept of life insurance. You'll get even more traffic-stopping action when this "Master Plan" is combined with any of our 30 Par and Non-Par ordinary and extraordinary Life plans.

Now add the finest Non-Can A & S, a highly competitive Group portfolio, Audio-Visual Films, and the "Powerful Idea" sales track, and it's understandable why JNLmen never wait in traffic for the light to turn green.

Naturally, they profit from Top Commission Contracts—Lifetime Renewals—Volume, Persistency and Recruiting Bonuses—Financial Assistance—Field Training Seminars—Pension Plans and Unexcelled Home Office Support.

E. KIRK MCKINNEY, JR., President



JEFFERSON NATIONAL
Life Insurance Company

INDIANAPOLIS 4, INDIANA

March 11, 1961

LIFE INSURANCE EDITION

21

Policy Replacers May Get What-For From Automation

(CONTINUED FROM PAGE 1) quentially from 25 through 45 and tax brackets from zero to 40%. The increase in cost ranged all the way to 33%.

Another finding was a definition of the true cost of a loan plan on ordinary life—assuming that the same interest rate was earned by the policyholder on investments after taxes as he pays on the policy loan after the tax deduction, that borrowing begins in the first year and the full cash value is borrowed every year following, and the dividends are used to keep the death benefit level at the full \$100,000. Both annual and accumulative costs were determined and the findings indicated a variance in cost with age of issue, tax bracket and duration policy is held.

Third Finding Told

The third finding was a comparison of the cost of a fully encumbered participating ordinary policy with its nearest actuarial equivalent (term), both par and non-par, for nearly all durations, at quinquennial ages and at a representative group of tax brackets. Again it was noted that the duration over which the coverage extended and the tax bracket were the primary determinants of relative cost. Age was a factor but not too prominently.

It was further learned that if there is no tax advantage, there is never a time when a loan plan is cheaper than term insurance.

The entire study is the property of Chicago CLU chapter.

The actual computations were made on the IBM 650 by Carl P. Fischer, Mr. Fischer's 25-year-old son, an associate of Society of Actuaries and a specialist in logic and mathematics as they apply to computers. A dissertation away from his Ph.D. at M. I. T. and the holder of five scholarship awards—Phi Beta Kappa, Phi Kappa Phi, Beta Gamma Phi, Phi Eta Sigma and Delta Sigma Phi—he was contacted by telephone in Brookline, Mass., and answered questions on the mechanics of the study over a loud speaker system.

Also contacted by phone was Ed B. Burr, executive vice-president of the One William Street Fund and chairman of the public information committee of National Assn. of Investment Companies. A CLU himself, he told the audience he is a strong believer in cash value life insurance and has "a good deal of it" but doesn't feel there should be "over-commitment."

Explains Mutual Funds

He explained the workings and growth of mutual funds and gave a number of reasons why people invest in these funds. "The fact that people have investments doesn't mean they don't have a large quantity of life insurance," he said. "To have a well rounded investment program, other types of security than life insurance are also needed. Both the life insurance agent and the mutual funds man are selling thrift habits and the two go hand in hand, he continued. The growth of life insurance is one of the best assurances that mutual funds will continue to grow."

Paul Haake, vice-president Continental-Illinois National Bank, gave a brief talk on the investment market

today. The fixed dollar should be the basis of any financial or investment program, he said, "but the economy is not stable and we have unfixed it in terms of purchasing power and equity investment." He discussed a number of ways to invest and their relative points, including high grade bonds, common stocks, income stocks and tax-exempt bonds, the latter having done a pretty good job of offsetting the changing value of the dollar," he said.

The unfixed equity investment over a period of several years has protected its owner against the unfixed earning power of the dollar, he declared, but he warned that no one should buy stocks of any kind unless he is prepared to set the money aside for at least five years.

The second day's session, which ended at noon, as did the first meeting, was devoted entirely to a talk by Solomon S. Huebner, president emeritus American College, in which he "put the cash value back into the life insurance policy." So there could be no feeling that he might be speaking from a biased viewpoint, he reminded his audience at the beginning that he has had 57 years of teaching life insurance and a few years ago completed 49 years of teaching on the subject of speculative securities and has written college text books on both subjects. "We need both fields to protect the American public in risk and risk bearing," he said.

Details Own Program

Dr. Huebner detailed his own life insurance and equity investment programs and how they have turned out over the years, concluding that there is no real basis of comparison between the two, since each represents something altogether different. With cash value insurance the whole concept is in one contract and completion is guaranteed, good times, bad times, depression or what have you. The investment method, while it may be tempered and improved, is always speculative.

Those who invest in equities want to buy growth stocks, he said. They want growth property. But this type of property can decline as well as grow. With life insurance, however, tremendous growth is possible immediately after payment of the first premium. "It is the only kind of 'speculation' that can do nothing but grow."

Turning to term insurance or its actuarial equivalent (financed insurance), he pointed out that it is not designed to indemnify the insured against various kinds of economic deaths. These include total and permanent disability, major medical, temporary total disability and retirement. The speaker noted, however, that for its purpose, decreasing term is "one of the greatest financial discoveries ever made—to complete or guarantee the cash values of an estate" in the early years when funds are not available for cash value insurance.

Returning to equities, Dr. Huebner said they are a receipt for risk bearing and not a guaranteed promise like life insurance, nor do they take into consideration the concept of human life values. This life value concept is the same as the property concept growth aspect of stocks. What the man who pays the premium gets out of it is the profit motive. Life agents should stress this point and not worry too much about the beneficiaries. "The man who pays the premium will take care of that. Take care of him. Show him the profit aspect."

The life insurance business has been its own worst enemy by stressing the death aspect instead of the human life value concept, Dr. Huebner said. If he had anything to do about it, he

Met's Individual Sales Off; Premium Per \$1,000 Up 23%

(CONTINUED FROM PAGE 2)

some time have been concerned about the proportion of personal life insurance being sold on term plans or on combination plans which include large elements of term insurance. Consequently, at the beginning of the year, we took further steps to correct this situation in so far as our own company was concerned.

Cites Rise In Premium Per \$1,000

"As a result, one of the most interesting developments of the year was the 23% increase in premium per \$1,000 of new ordinary life insurance sold. This was not due to any increase in the cost of insurance—indeed the cost per \$1,000 of life insurance is declining. This new trend was largely due to the decrease in the proportion of term insurance issued, compared with 1959, and a corresponding increase in the proportion of permanent insurance. This, then, is the principal reason why the face amount of life insurance sold was less than the previous year, even though the premium on all personal insurance issued was about the same.

"This development, we feel, augurs well for the stability of the business and for the fulfillment of its traditional role of providing family protection, together with a reserve fund available to policyholders in time of need."

Mr. Ecker also mentioned the rapid growth of health insurance and the fact that more and more employers are helping provide health care for their

would call life insurance time insurance, he added.

Program chairman of the meeting was Robert S. Bowles, manager North American Life of Canada and vice-president Chicago CLU chapter. John O. Todd, president Todd & Zischke Services served as moderator.

employees after retirement. He said adequate provisions for medical care for the aged must be made but said he does not favor having the government doing it on a basis that disregards the individual's need.

President Cecil J. North presented details of the annual statement using colored slides to illustrate comparisons of 1960 results with past years. Benefit payments totaled \$1,754,860,200. Death claims accounted for \$568 million. Of the remainder, \$385 million was for disability and A&S payments, while dividends exceeded \$361 million. Dividends were increased 9% on ordinary and industrial policies.

The number of persons insured by Metropolitan continued to be at the rate of one person in five of the combined populations of the United States and Canada. About 10.7 million persons were protected by individual and group health policies.

Assets total \$17,941,244,002 as against \$17,140,514,923. Total surplus funds are \$903,564,691 as compared with \$870,035,970. The rate of interest earned on the entire investment portfolio continued up—4.08% as against 3.91%. The average return on new long-term investments, which amounted to \$1,509,000,000, was 5.59% after investment expense, as against 5.07%.

There was no significant change in the asset distribution pattern—53% in corporate securities, 8% in U. S. and Canadian government bonds, 28% in city and farm mortgages, 3% in housing and other real estate, 4% in policy loans and 4% in other assets.

City mortgages and real estate account for \$5.2 billion. During 1960, 42,436 city mortgage loans were made for \$786 million. Metropolitan invested a total of \$52 million in 2,780 farm mortgages, bringing the total in this category to \$359 million in 29,000 mortgages.

Standard of Oregon reports the Robert Rau east Portland agency led all other agencies in February in achieving the highest percentage of life quota.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

VARIABLE ANNUITY

Responsible Company preparing to offer highly saleable insured Variable Annuity savings—investment plan. Has tax shelter and unique pay-out options. Will need sales-manager—stock options available. Strictly confidential. Write W-97, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED CLAIMS DIRECTOR

Preferably under age 40. Must have field inspection experience, both in handling of new business and of claims. Should also have administrative experience in supervising others. College degree or special educational background not essential provided successful experience indicated, with record of continued progress in present connection.

Write in confidence to R. A. Frederick, Administrative Vice President.

THE FRANKLIN LIFE INSURANCE COMPANY
Springfield, Illinois

ACTUARY WANTED

A Midwestern Company with over \$350,000,000 of life insurance in force has wonderful opportunity for an Actuary (Fellow)—under age 42 to head up its Actuarial Department. Full fringe benefit program plus generous company paid pension plan along with excellent salary. Write to W-68, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ASSISTANT ACTUARY WANTED

Rapidly growing Colorado Life and Accident and Health Company has challenging opportunity for Assistant Actuary, Life Division. Position includes work with IBM 650. Salary open. Reply in confidence to W-92, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSURANCE COMPANY FOR SALE

The entire issued and outstanding shares of 20 year old Eastern Industrial Life Insurance Company can be acquired. Chartered to write a complete line of competitive life, accident, sickness and hospital insurance. Present debit approximately \$6,000 per week. Would prefer to deal with principals only. Write to W-93, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED—TAX LAWYER

For large New York insurance company—outstanding opportunity. Please send resume in confidence to NY-55, National Underwriter, 17 John Street, New York 38, New York.

Editorial Comment

Warning Policyholders On Replacements

We believe that a truthful, believable and understandable letter that companies could use to warn policyholders against the convincing-sounding sales talk of the replacement specialist would do a great deal toward cutting down the disturbingly high volume of replacement business, most of which we are convinced is not in the interest of the policyholder.

In the following letter, we have tried to assemble what seem to us to be the most effective arguments we have heard for policyholders to be extremely skeptical about any replacement proposal. We don't believe such a warning letter can go much beyond alerting the reader to the danger of being misled, to his sorrow, by faulty or one-sided advice. THE NATIONAL UNDERWRITER will welcome criticisms and ideas for improvement, after which we'll write another version embodying suggested improvements that seem suitable. Here's the present version:

Dear Policyholder:

Has anyone ever tried to persuade you to give up a life insurance policy and replace it with another that he said would be better or less expensive or more "modern"? There's a lot of this replacement selling going on today, and that's the reason for this letter to you. Most of these replacements would not have happened if the buyers had really understood what they were letting themselves in for.

The sales pitch for replacement can sound mighty attractive. The salesman may be entirely sincere in advising you to make the change. But the chance of really bettering your situation is so slight and the probability of loss due to an unwise decision is so great that any replacement proposal should be looked at with a cold and fishy eye. It should be checked point by point, preferably with the help of someone who is as much interested in keeping the policy in force as the would-be replacer is in selling the new insurance.

Why is it that switching policies so rarely makes sense financially? The big reason is the thing called acquisi-

tion cost. Most of the expense of putting a policy on the books comes out of the premiums you pay in the first few years. When you drop that policy and buy a new one to replace it, the new policy's acquisition cost will of course come out of your premiums. But you've already paid the acquisition cost, or most of it, on the old policy. So you wind up with the same amount of coverage, but two acquisition costs. Does that seem like a way to reduce your insurance outlay?

It could happen, but it's extremely unlikely that your present policy is in a company with mortality and expenses so much higher and interest earnings so much lower than the company whose policy you're being asked to buy that the switch could, in time, work out to your advantage. That double acquisition cost is usually just too big a handicap to overcome—provided of course that comparisons are made on a basis that compares like with like all the way through.

When the policy you have is to be replaced with one that is not strictly comparable, the effect of the double acquisition cost may not be so obvious—but it's there, just the same. That's why it's so essential to have the proposal checked by someone who will be able to make due allowance for the fact that the new coverage is not precisely the same as the old. Moreover, such an adviser may well be able to show you how to accomplish what you want through your present policy, perhaps by an endorsement, so that surrendering the policy is not necessary.

Even before getting third-party advice, you can make use of this checklist:

1. Is the man who proposes the replacement willing to give you a written proposal stating that it is a complete comparison of the present insurance and the proposed policy? Is he willing to sign it and have it carry the name of his company and agency? (Faulty advice on replacements have resulted in suits for damages, and without a written proposal you would be severely handicapped in bringing

legal action.)

2. Is he willing to leave the proposal with you long enough to permit you to study it unhurriedly?

3. If he is willing to leave the proposal with you, does he put any restrictions on you against showing it to some other life insurance man for checking? Does he object to your consulting the company that underwrote the policy that is to be replaced? Does he try to steer you away from these courses by telling you that you will be subjected to pressure to retain your present insurance?

Remember that if the proposed policy is really better for you than what you have, then the facts and figures in the proposal will stand up in spite of anything that anybody can say against them. If the agent proposing the change is sure of his facts, he should not object to a third party's opinion, because it would necessarily confirm the soundness of his proposal—but only of course if it really is sound.

Replacement may take a variety of forms: For example, instead of actual surrender of insurance, it may involve putting the present insurance on a non-premium-paying basis for a reduced amount of coverage. It may involve surrendering existing insurance, buying term insurance and putting the cash surrender value you have obtained into other investments or into speculative channels.

The would-be replacer may call himself by any of a wide variety of designations. He may advance his idea as something tried and true or something new and revolutionary. But if it involves making any change whatever in the insurance you now own, the safest course is to get the most competent third-party advice you can find. Not only is there the double acquisition cost to be considered but also the fact that many older policies contain more liberal privileges than policies issued today.

It will be noticed that the foregoing letter doesn't question the replacer's motives. At most, it suggests that there may be another side to the story than his, and that the best way to get it is to ask another life insurance man. We'd hope he'd want to ask the agent who sold the original policy. Motives of many replacers could doubtless be questioned with good reason. But it seems unwise to do so, because if we

do, the policyholder is going to be looking for somebody who acts, looks and talks like a crook. Consequently, when Mr. Replacer shows up seeming pretty much like any normal, likeable personable fellow, the policyholder is thrown off his guard.

We'll welcome any comments—pro or con or in between—on the suggested letter.—R. B. M.

Personals

Ralph R. Lounsbury, chairman of Bankers National Life, was honored at



Ralph R. Lounsbury
presented to him at the dinner. The board also presented him a silver punch bowl and the senior employees gave him a Steuben glass dish.

O. Kelley Anderson, president of New England Life, has been elected a director of the S. D. Warren Co., 107-year old Boston paper manufacturer. It is the first time that anyone not actively connected with the paper company's management has served on the board.

H. Ladd Plumley, chairman and president of State Mutual Life, addressed a recent meeting of the Canadian Club of Toronto. He urged an improvement in Canadian-U.S. relations in the interest of attaining the two countries' common goals.

Orville F. Grahame, vice-president and general counsel of Paul Revere Life and Massachusetts Protective, has been appointed special gifts chairman of the 1961 Red Cross fund campaign in Worcester, Mass.

Charles E. Baldwin Jr., superintendent of agencies of John Hancock, has been selected to participate in a special staff visit to observe Air Force operations in Europe. Mr. Baldwin is an Air Force reservist, holding the rank of colonel and assigned to comptroller, Headquarters USAF, Washington, D.C.

Deaths

PAUL S. KANTZ, 78, general agent at Pontiac, Mich., of Equitable of Iowa, died. He had been with the company for 35 years.

HOWARD C. BRODMAN, 75, vice-president and director of Municipal of Chicago, died. He was one of the founders of the company and a past president of it and also Municipal Employees Society and Public Service Investment & Management Corp.

DR. JOHN K. RUGGLES JR., 49, associate medical director of Paul Revere Life and Massachusetts Protective Assn., died at Holden, Mass. He was chairman of Insurance Medical Group of New England.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Life and A&S Insurance



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Fidelity Bankers Of Va. To Buy Control Of Northeastern

(CONTINUED FROM PAGE 1)

Fidelity Bankers does not are Illinois, Indiana, Maine, Michigan, Missouri, Nevada, New York, Texas and Wisconsin. Fidelity Bankers is licensed in 14 states and plans to enter about 25 more during 1961.

Unusual Sale Feature

An unusual feature of the sale of control is that some stockholders will receive cash and others will receive Fidelity Bankers stock, while some will be paid in both cash and stock. Another feature is that all shareholders of Northeastern will be paid in part on a profit-sharing basis designed to reflect the future experience on certain of Northeastern's group insurance cases. This method was employed because of the difficulty of estimating what the experience would be.

Messrs. Hutner and Osterman will sell their 42% interest for cash. Both have already given up their directorships in Northeastern.

Formerly Mt. Vernon Life

Northeastern was formerly called Mt. Vernon Life and before that Union Casualty & Life. It started in 1943 as Trade Union Accident & Health Assn. Several years ago the company changed its name to Northeastern Life, after acquiring Northeastern Life of New York City.

Fidelity Bankers Life bought Southern Heritage Life of North Carolina last spring. It was founded by interests identified with American Fidelity & Casualty of Richmond. T. Coleman Andrews, former internal revenue commissioner, is president of Fidelity Bankers and also heads American Fidelity & Casualty, American Fidelity Fire and Variable Stock Fund Inc., a no-load mutual fund organized by Fidelity Bankers and selling only to its policyholders.

NIA's Agency, Executive Sections Hold Midyear; Both Stress Conservation

More than 100 executives of the 52 life companies affiliated with National Insurance Assn. held a four-day mid-year conference of the association's agency and executive sections in Denver.

Theme of the meeting was "Grow Through Conservation," and heading up the two sections were E. W. Sims, vice-president Standard Life of New Orleans, and Maceo A. Sloan, secretary North Carolina Mutual Life (agency), and George A. Beavers Jr., vice-president Golden State Mutual Life (executive).

Featured speakers were William R.

A new identification seal has been adopted by Continental Assurance. The seal, or trademark, and a logo type—the company's name set in a distinctive type face—were created by Chicago designer Dave Chapman. In addition, a seal commemorating the company's 50th anniversary this year was designed. The company mark consists of two letters "C-A" which will appear, along with the logo on all printed material, including letterheads, policy contracts and advertising. The anniversary seal will be used this year in connection with the company mark.

CONTINENTAL ASSURANCE COMPANY

The words are the same, but the type face is different. This is the new logo that will appear in assorted sizes, but always in the same type face.



Pictured here is Continental Assurance's seal.



This 50th Anniversary seal (in gold) will accompany the "C-A" seal.



AETNA LIFE LEADERS—John W. Duling, center, of Nashville, was installed as president of Aetna Life Leaders Club at the club's recent three-day seminar in Hartford. Robert B. Coolidge, Aetna Life senior vice-president, presents symbol of office. At left is V. John Krehbiel, Los Angeles, club treasurer. Other officers are Joseph L. Kaufman, Egg Harbor, N. J., vice-president, and David P. Faxon of Camden, N.J., secretary. Officers are chosen on the basis of their previous year's production. Ninety of Aetna's top producers attended the seminar, which was addressed by field leaders and company officers.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. La Salle St., Chicago, March 7, 1961

	Bid	Asked
Aetna Life	\$101 1/2	103 1/2
American General	39	40 1/2
Beneficial Standard	18 3/4	19 1/4
Business Men's Assurance	59	61
Cal.-Western States	61	63
Commonwealth Life	25 1/2	26 1/2
Connecticut General	442	446
Continental Assurance	226	232
Franklin Life	97	99
Great Southern Life	75	78
Gulf Life	22	23
Jefferson Standard	52	54
Liberty National Life	68	71
Life & Casualty	19	20
Life of Virginia	67	70
Lincoln National Life	100 1/2	103
National L. & A.	126	129
North American, Ill.	14 3/4	15 1/2
Ohio State Life	45	47
Old Line Life	62	65
Old Republic Life	21	22
Republic National Life	40	42
Southland Life	94	99
Southwestern Life	64 1/2	66 1/2
Travelers	109	111
United, Ill.	39	40
U. S. Life	62 1/2	64
Washington National	57 1/2	61
Wisconsin National Life	35	38

General American Life reports new individual health insurance premiums in February were up 133% over the same month last year.

Ernst, director of agencies Security Life & Accident; Wilmer W. Wilson Jr., president United American Life of Denver, and L. H. Lightner, commander American Woodmen of Denver.

Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

It was another gee whiz week for insurance stock traders with something of a scramble for life stocks late Friday. The extra fillip was given by the announcement on the broad tape that Eli Lilly & Co. has a drug ready for the market that has proved effective against Hodgkin's disease. This was accompanied by excited speculation that this might presage an important breakthrough on cancer. This would suggest a further improvement in life insurance mortality and trigger happy investors proceeded to buy life stocks in sizable bundles.

The high-flying Government Employees issues were exceptionally strong, the life company ending Friday at 72 1/2 bid, up 3 points and the automobile insurer 98, plus 7. Franklin Life got into high gear again and at 97 bid was 7 points ahead for the week. Jefferson Standard Life was recommended by Moody's Stock Survey and it was in good demand. At 51 it was up 2 points in the week. Value Line had previously plugged it. U. S. Life went soaring and gained 4 1/2 at 62 bid. BMA was another hot issue and picked up 3 1/2 points to 57 1/2.

Phoenix Insurance was a favorite as a means of buying the stock market at a big discount and by reason of the confidence that is felt in the new president, Jack D. Taylor, to set it back in its former place as a profitable underwriting house. It is rare for an investment man, which Mr. Taylor is, to attain the top spot in a fire-casualty company and the investment community that knows Mr. Taylor is well pleased with the choice. Phoenix was up 4 at 92 bid and is another candidate for the 100 hurdle.

Fireman's Fund broke into the 60s and at 61 1/2 was plus 4 in the week. Travelers was plus 3 at 108. Mass. Protective and Monumental Life each was plus 3. Home Employers Group Associates and U. S. F. & G. each was 2 better. Conn. General was down for the second week in succession, losing 4 points at 446.

Northern Life of Seattle which is one of the rare issues that has been available at less than capital-surplus value quietly moved ahead with offerings

Reliance Ins. staged a virtuous performance Tuesday on the American Stock Exchange, running up to as high as 69 (plus 7) against a minus \$7 in the Dow-Jones day. Its affianced Standard Accident traded at 59, up 1.

being lifted at 137 and 138. Washington National was in demand with little stock available. Combined Insurance took giant leaps and got up to 56 1/2 bid, about 7 points higher. Variable Annuity Life has been edging up eighth by eighth and reached 9 1/4 bid.

Variable Annuity Life in its report shows a liking for insurance stocks. Their list includes Aetna Life, Continental Casualty, Continental Insurance, Crum & Forster, Franklin Life, Home, Insurance Company of North America, Lincoln National, North River, Pacific Indemnity and U. S. F. & G.

American Mercury owns 500 shares of Government Employees Insurance. Camden Fire owns 6,600 shares of Continental Insurance, its new annual report shows.

Coastal States Life of Atlanta owns 533 shares of Aetna Life, 200 Birmingham Fire & Casualty, 3,750 Commonwealth Life, 200 Conn. General, 6,600 Gulf Life, 450 Home, 262 Jefferson Standard, 1,876 Liberty Life, 4,500 Liberty National Life, 367 Life & Casualty, 310 Lincoln National, 20 National Life & Accident, 5,714 Protective Life, 250 Republic National Life, 100 Travelers and 124 U. S. Life.

Diversified Growth Stock Fund Inc. eliminated its holdings of 1,000 shares of Conn. General Life.

United Services Life continued to go skylarking and at 92 bid Friday was 9 points higher in the week. This added nearly \$1 per share to the intrinsic worth of Northeastern Insurance which owns 45,000 shares of United Services. At this figure there is \$13.80 of market value of United Services Life for each share of Northeastern. The latter was available at about \$16 per share.

Beneficial Standard Life got going and at 19 was up 2 for the week. Maryland Casualty continued to advance, gaining 2 1/2 points at 45. Value Line recently gave this a strong recommendation. Fidelity & Deposit continued to rise under the impetus of the recently announced stock dividend in the ratio of one-for-nine. It closed at 87, up 2 1/2.

There were a few signs of life in the newer issues. American Heritage Life was up 1 1/2 points at 9 3/4 and Loyal American at 4 1/2 was 1 point better than its recent level.

Stockholders of Investors Finance & Thrift Corp., Chicago, have voted to liquidate and dissolve. Its holdings include some 600,000 shares of United Ins. Co. and about 40% of the shares of United Fire, which is doing so well as a weekly premium property insurer. I. F. & T. also owned considerable real estate.

A mistake was made in the listing of bid prices of insurance stocks as at Feb. 28, 1961, in respect to Security Life & Trust. The price of 45 was correct as the Feb. 28 price, but the previous prices had not been adjusted to reflect a 25% stock dividend. On that basis the Dec. 31, 1959 price should be 47 1/4 and the Dec. 30, 1960, 41 1/4.

Auslander Is Mass. Mutual Leading Ordinary Producer

Daniel Auslander of Massachusetts Mutual's Copeland agency at New York was the company's leading individual producer of new ordinary business in 1960. Mr. Auslander, who has been individual sales leader 11 times in the last 25 years, delivered

over \$4.5 million of new business in the past year.

A Million Dollar Round Table member since 1934, he has been a qualifying and life member since 1936. He has received the National Quality Award every year for the past 15 and in 1960 was presented with a trophy from LIAMA in recognition of this record. He is a CLU.

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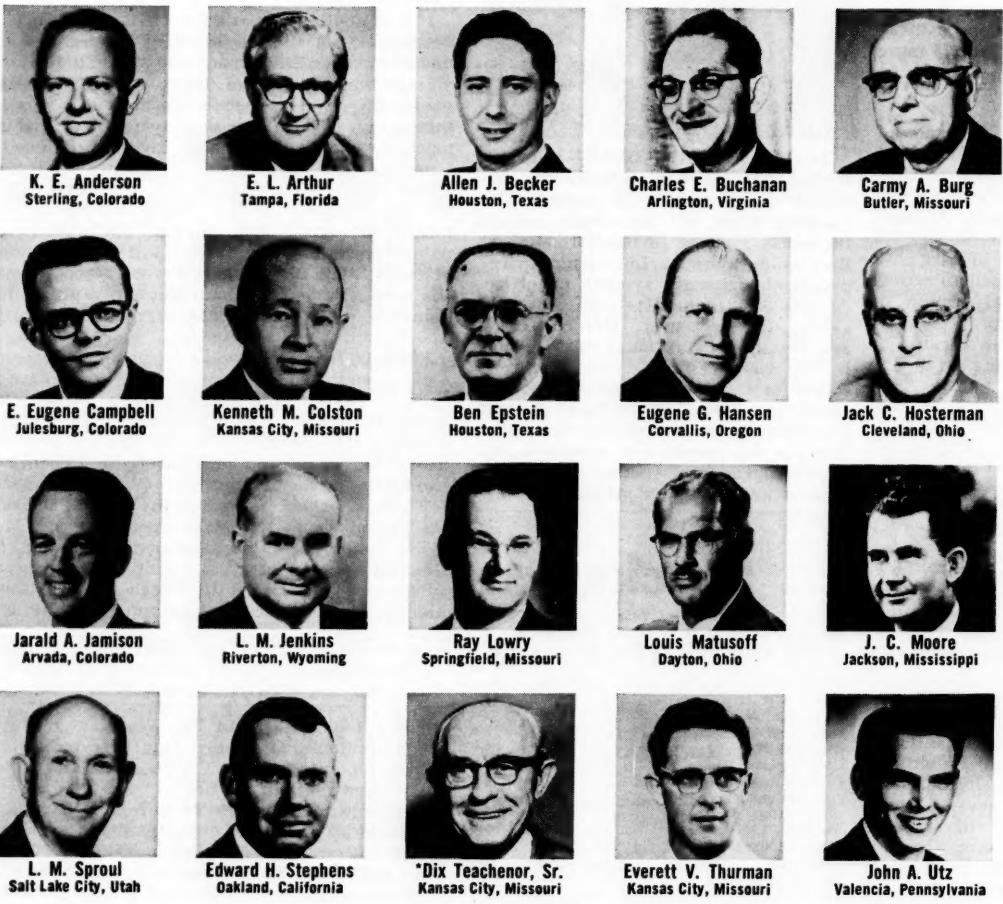
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MORE KEYMEN! KANSAS CITY LIFE "TOP HATTERS"



The twenty men whose pictures are shown here belong to an exclusive group of Keymen ... the 1960 Top Hatters of Kansas City Life.

What does it take to become a Top Hatter? Many things—among them is the delivery of a minimum of one million dollars worth of insurance for Kansas City Life within the calendar year. This, plus the fact that they have qualified as members of Kansas City Life's President's Club.

These twenty men, then, obviously have delivered an aggregate of more than twenty million dollars worth of Kansas City Life Insurance, and they have amply earned the congratulations we at Kansas City Life hereby accord them.

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INSURANCE COMPANY

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